

PRICE: \$8.00

The Missouri CON Rulebook



**Published by the
Certificate of Need Program**
**On behalf of the
Missouri Health Facilities Review Committee**
Effective January 30, 2000

latest revision 08/31/01

Preface

What is the Rulebook intended to do?

- *The Missouri CON Rulebook* is a reference guide which includes the Certificate of Need (CON) Statute, CON Rules, calendars, and listings of the members of the Missouri Health Facilities Review Committee and Certificate of Need Program staff.
- The Rulebook is a “recipe book” for the construction of a Letter of Intent (LOI) and a CON application package. It includes the informational requirements, the outline format, the Service-Specific Criteria and Standards, and the CON forms.

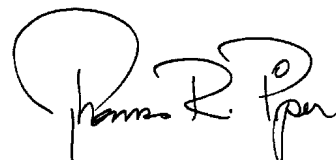
How have statutory changes modified the review process?

- Provisions of SB 326, effective July 1, 1999, were the most recent changes which allow various exceptions, exemptions, pilots, and demonstration projects;
- Recommendations from the Certificate of Need Technical Advisory Council (CONTAC) for Long Term Care (LTC) have been adopted;
- An abbreviated review process has been established for certain LTC proposals;
- Certain high occupancy LTC facilities are allowed to expand licensed bed capacity under specific conditions;
- The LTC minimum occupancy requirement (previously known as “moratorium”) is extended to January 1, 2003; and
- Certain LTC facilities are allowed to replace existing beds under specific conditions and within specific distances.

When should questions be asked?

- Before a Letter of Intent is submitted.
- During a pre-application conference.
- During the review cycle.

We encourage you to contact the Certificate of Need Program staff early in your planning process so we can answer any questions you might have about the review process or provide technical assistance. We trust that this revised Rulebook will be easier to read and understand, and will help you as you develop your LOI and CON application packages.



Thomas R. Piper, Director
Certificate of Need Program

revised 10/11/00

THE MISSOURI CON RULEBOOK

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19 CSR 60-50.200 Purpose and Structure

- (1) The Certificate of Need (CON) statute, sections 197.300–197.366, RSMo became effective September 28, 1979, except those sections which were not effective until October 1, 1980 or later. CON had its origin in the federal Public Law 93-641, 1974, and was intended to address issues of need, cost, and distribution of health services, as well as other factors which impact the health of the population.
- (2) The purpose of the CON statute is cost containment through health cost management, assurance of community need and the prevention of unnecessary duplication of health care services. CON is based on a goal of public accountability through public review of proposed health care services, value promotion and negotiation among competing interests.
- (3) The CON statute is administered by the nine (9)-member Missouri Health Facilities Review Committee (Committee). Five (5) members are appointed by the governor, two (2) by the president pro tem of the senate, and two (2) by the speaker of the house, each serving two (2)-year terms or until replaced.
- (4) On behalf of the Committee, the Certificate of Need Program provides technical and administrative services as shown in 19 CSR 60-50.900.

19 CSR 60-50.300 Definitions for the Certificate of Need Process

- (1) **Applicant** means all owner(s) and operator(s) of any new institutional health service.
- (2) **By or on behalf of a health care facility** includes any expenditures made by the facility itself as well as capital expenditures made by other persons that assist the facility in offering services to its patients/residents.
- (3) **Charity care** means uncompensated care given by a health care facility to indigent and medically indigent people as part of a written mission or policy, and it does not include accounts written off as “bad debts” or third party adjustments, including those for Medicare and Medicaid.
- (4) **Cost** means:
 - (A) Price paid or to be paid by the applicant for a new institutional health service to acquire, purchase or develop a health care facility or major medical equipment; or
 - (B) Fair market value of the health care facility or major medical equipment as determined by the current selling price at the date of the application as quoted by builders or architects for similar facilities or normal suppliers of the requested equipment.
- (5) **Generally accepted accounting principles** pertaining to capital expenditures include, but are not limited to—
 - (A) Expenditures related to acquisition or construction of capital assets;
 - (B) Capital assets are investments in property, plant and equipment used for the production of other goods and services approved by the Committee; and
 - (C) Land is not considered a capital asset until actually converted for that purpose with commencement of above-ground construction approved by the Committee.
- (6) **Health care facility** means any premises as defined in Section 197.305(7), RSMo.

- (7) **Health care facility expenditure** includes the capital value of new construction or renovation costs, architectural/engineering fees, equipment not in the construction contract, land acquisition costs, consultants'/legal fees, interest during construction, predevelopment costs as defined in Section 197.305 (13), RSMo, in excess of \$150,000, any existing land and building converted to medical use for the first time, and any other capitalizable costs as listed on the "Proposed Project Budget" form MO 580-1863 (06-99).
- (8) **Health maintenance organizations** means entities as defined in Section 354.400(6), RSMo, except for activities directly related to the provision of insurance only.
- (9) **Interested party** means any licensed health care provider or other affected person who has expressed an interest in the Certificate of Need (CON) process or a CON application.
- (10) **Major medical equipment** means any device or collection of devices and startup costs acquired over a twelve (12)-month period, including equipment, shipping, installation, supplies, and taxes, with an aggregate cost in excess of the expenditure minimum, when the project is intended to provide imaging, diagnostic, treatment, preventive or other health services.
- (11) **Nonsubstantive project** includes, but is not limited to, at least one (1) of the following situations:
- (A) An expenditure which is required solely to meet federal or state requirements;
 - (B) The construction or modification of nonpatient care services, including parking facilities, sprinkler systems, heating or air-conditioning equipment, fire doors, food service equipment, building maintenance, administrative equipment, telephone systems, energy conservation measures, land acquisition, medical office buildings, and other projects of a similar nature;
 - (C) The acquisition of minor x-ray units, computed tomography units, mammography units, and fluoroscopy units, adult day care centers, hospices, and home health care services;
 - (D) Expenditures for construction, equipment, or both, due to an act of God or a normal consequence of maintenance, but not replacement, of health care facilities, beds, or equipment; or
 - (E) Expenditures required to resolve the "Year 2000 Compliance Problem" for computers as part of or related to medical equipment. Documentation from a competent third party is required to verify that the project is required solely to solve the "Year 2000 Compliance Problem" along with an itemized equipment list of computers and/or medical equipment affected.
- (12) **Offer**, when used in connection with health services, means that the applicant asserts having the capability and the means to provide and operate the specified health services.
- (13) **Predevelopment costs** mean expenditures as defined in section 197.305(13), RSMo including consulting, legal, architectural, engineering, financial and other activities directly related to the proposed project, but excluding the application fee for submission of the application for the proposed project.
- (14) **Related organization** means an organization that is associated or affiliated with, has control over or is controlled by, or has any direct financial interest in, the organization applying for a project including, without limitation, an underwriter, guarantor, parent organization, joint venturer, partner or general partner.
- (15) **Service area** means:
- (A) A review area which is the geographic region within the fifteen (15)-mile radius of the proposed site; and

- (B) A geographic region in excess of the fifteen (15)-mile review area appropriate to the proposed service, documented by the applicant and approved by the Committee.

19 CSR 60-50.310 Guidelines for Specific Health Services

- (1) The subsections below are intended to serve as guidelines for the Missouri Health Facilities Review Committee.
- (2) **Acute Care** means medical treatment rendered to individuals whose illnesses or health problems are of a short-term and episodic nature and is provided in a variety of hospital settings which are individually defined as:
- (A) **Inpatient Rehabilitation** means inpatient hospital care encompassing a comprehensive array of restoration services for the disabled and all services necessary to help patients attain maximum functional capacity;
- (B) **Long Term Acute Care** means services to patients requiring an average length of stay greater than twenty-five (25) days (these beds are licensed as a separate long-term acute care hospital facility as described in 42 CFR, Section 412.23[e];
- (C) **Medical/Surgical** means inpatient care to patients in medical and surgical units in hospitals on the basis of physicians' orders and approved nursing care plan;
- (D) **Obstetrics** means inpatient hospital services offered at facilities designated for one of the following three levels of care:
1. Uncomplicated maternity and newborn cases;
 2. Uncomplicated cases, the majority of complicated problems, and special neonatal services; or
 3. All serious illnesses and abnormalities which are supervised by a full-time maternal/fetal specialist;
- (E) **Pediatric** means care to children on the basis of physicians' orders and approved nursing care plans;
- (F) **Psychiatric** means inpatient acute or long term care in hospitals to emotionally disturbed patients, including patients admitted for diagnosis and those admitted for treatment of psychiatric problems, on the basis of physicians' orders and approved nursing care plans (long term care may include intensive supervision to the chronically mentally ill, mentally disordered, or other mentally incompetent persons); or
- (G) **Substance Abuse/Chemical Dependency** means diagnosis and therapeutic services in hospitals to patients with alcoholism or other drug dependencies including care for inpatient and residential treatment for patients whose course of treatment involves more intensive care than provided in an outpatient setting or where patient requires supervised withdrawal.
- (3) **Cardiac Catheterization** means the introduction of a catheter into the interior of the heart by way of a vein or artery or by direct needle puncture and practiced in a variety of settings which individually mean:
- (A) **Full-service laboratory** with in-house cardiovascular surgery where both diagnostic and therapeutic procedures are performed on the heart and great vessels for a wide variety of cardiovascular diseases;
- (B) **Specialized service laboratory** with in-house cardiovascular surgery where services are focused on a specific area of interest (e.g., therapeutic [interventional], electrophysiological, and pediatric);

- (C) **Clinical electrophysiology laboratory** where services are focused on electrophysiological studies for patients with any type of cardiac electrical disturbance, and provisions for pacing, defibrillation, and resuscitation must be immediately available;
 - (D) **Pediatric diagnostic and/or therapeutic catheterization laboratory** where services are focused on pediatric patients and should be supervised by a pediatric cardiologist and must be supported by pediatric cardiac surgery and pediatric anesthesia (biplane cineangiographic equipment must be available to obtain quality studies while keeping contrast agent volume at safe levels);
 - (E) **Laboratories without in-house cardiovascular surgery** where this limited service will see less variety in the condition of patients undergoing evaluation because they must exercise particular caution to not accept unstable, acutely ill, or other high-risk patients for study, and formal arrangements with a hospital offering cardiovascular surgery must be made;
 - (F) **Freestanding cardiac catheterization laboratory** where the laboratory is not physically attached to a hospital, and may or may not be under hospital administration, and formal arrangements must be made with a hospital offering cardiovascular surgery; or
 - (G) **Mobile cardiac catheterization laboratory** where the entire laboratory, consisting of a single unit or multiple units joined together, is transportable by land, water, or air from one location to another location, and formal arrangements must be made with a hospital offering cardiovascular surgery.
- (4) **Cardiac catheterization service** to be offered should utilize at least the following recommended components:
- (A) Physiological data acquisition;
 - (B) Radiographic equipment;
 - (C) Optics;
 - (D) Cinecamera;
 - (E) Video system;
 - (F) Patient and equipment support;
 - (G) Contrast injectors;
 - (H) Cineangiographic film and processing (if not digital);
 - (I) Cinefilm viewing and/or digital imaging;
 - (J) Support equipment;
 - (K) Quantitative angiography;
 - (L) Procedure room;
 - (M) Control room;
 - (N) Equipment room; and
 - (O) Clean utility room.
- (5) **Computed Tomography (CT)** means a diagnostic technique in which the combined use of a computer and X-rays, passed through the body at different angles, together produce clear cross-sectional images ("slices") of the tissue being examined, using at least the following recommended components:
- (A) CT gantry (X-ray generator);
 - (B) Device electronics and controller;
 - (C) Central processing unit (CT computer);
 - (D) Display console (TV screen);
 - (E) Keyboard; and
 - (F) Vehicle (if mobile).

- (6) **Coronary Angiography and Angioplasty** means the process of describing the anatomy of the coronary arteries when such information is needed for patient management, including assessment of the presence, extent, and severity of obstructive atherosclerotic coronary artery disease, coronary artery size, coronary collateral flow, thrombus formation, dynamic obstructions (coronary spasm), or congenital coronary artery anomalies. These procedures may also allow visualization of all chambers of the heart, the aorta, and pulmonary arteries; angioplasty is the procedure of endovascular enlargement of the coronary lumen by a balloon or other device; these services are provided using at least the following recommended components:
- (A) The resources of cardiac catheterization and radiographic facilities;
 - (B) An ample inventory of balloon dilation catheters, calibrated balloon inflation devices, and a complete range of existing guide wires of variable flexibility and steerability;
 - (C) A high resolution fluoroscopic system and an optimal television chain;
 - (D) An angulating X-ray tube image intensifier arm that allows three-dimensional determination of the anatomic position of a guide wire or balloon catheter;
 - (E) A physiologic recording system, a high resolution fluoroscope, cineangiographic and/or digital (subtraction or acquisition) angiographic and/or cut film (analog) angiographic equipment, a complete set of emergency resuscitation instruments, and a full complement of drugs;
 - (F) Radiation exposure control systems including such items as an X-ray beam with automatic collimation, a carbon fiber scattered radiation grid, carbon fiber tabletop, and a correct tube filter; and
 - (G) On-site cardiovascular surgical backup (for coronary angioplasties, not angiography).
- (7) **Diagnostic Imaging Center** means a facility or portion of a facility housing any professional or business undertaking, whether for profit or not for profit, which offers or proposes to offer any clinical radiological diagnostic health which, at a minimum, uses a specialized collection of imaging equipment made up of any two or more of mammography, X-ray, computerized axial tomography, positron emission tomography, fluoroscopy, ultra-sound, magnetic resonance imaging and related imaging services, and includes related support areas including patient processing, waiting, records, storage, counselling, and other patient support functions.
- (8) **Excimer Laser** means a specialized collection of equipment used to correct low to moderate myopia (nearsightedness) through a procedure called photorefractive keratectomy (PRK). This procedure removes microscopic layers of corneal tissue from the surface of the cornea to change its shape and improve the focus of light images, using at least the following components:
- (A) Excimer laser system;
 - (B) Patient chair;
 - (C) Physician's stool;
 - (D) Bottles of Argon, Fluoride, and other gases;
 - (E) Visionkey cards for PRK;
 - (F) Slit lamp;
 - (G) Topography system;
 - (H) Micro keratome; and
 - (I) Other miscellaneous supplies/equipment.
- (9) **Gamma Knife** means a specialized type of equipment used to perform stereotactic radiosurgery on small brain tumors and vascular malformations which utilizes multiple Cobalt-60 gamma radiation sources which are focused through a collimator helmet, using at least the following recommended components:

- (A) Radiation unit with collimator helmets;
 - (B) Operating table;
 - (C) Control panel;
 - (D) Computer system; and
 - (E) Support equipment including MRI, CT and angiography.
- (10) **Hemodialysis** means a process whereby a patient's blood is run through a machine that acts as an artificial kidney. Patients are connected to the machine two (2) to three (3) times per week for approximately four (4) to six (6) hours per session, using at least the following recommended components:
- (A) Dialysis machine;
 - (B) Blood pressure module;
 - (C) Dialysis chair;
 - (D) Reverse osmosis water system; and
 - (E) Crash cart-defibrillator/monitor.
- (11) **Hospital** means an establishment as defined in the Hospital Licensing Law, section 197.020.2., RSMo.
- (12) **Lithotripsy** means a treatment technique using shock waves or ultrasonic waves to break up calculi (kidney stones) for excretion (two [2] common treatment modalities currently are extracorporeal shock wave lithotripsy and percutaneous lithotripsy), using at least the following recommended components:
- (A) Lithotripter system;
 - (B) Nephroscope;
 - (C) Ultrasonic probe;
 - (D) Support equipment (includes an x-ray imager); and
 - (E) Vehicle (if mobile).
- (13) **Magnetic Resonance Imaging (MRI)** means a diagnostic technique that provides high quality cross-sectional images of organs and structures within the body without X-rays or other radiation, through the absorption or emission of electromagnetic energy by nuclei in a static magnetic field after excitation by a suitable radiofrequency magnetic field, using at least the following recommended components:
- (A) MRI gantry (electromagnets);
 - (B) Device electronics and controller;
 - (C) Central processing unit (MRI computer);
 - (D) Display console (TV screen);
 - (E) Keyboard; and
 - (F) Vehicle (if mobile).
- (14) **Positron Emission Tomography (PET)** means a diagnostic technique based on the detection of positrons (positively charged particles) that are emitted by labeled substances introduced into the body. PET scanning produces three-dimensional images that reflect the metabolic and chemical activity of tissues being studied and depicts molecular function by the local concentration of an injected radionuclide which decays to a stable form by emitting a positron which a computer processes to produce an image on a TV screen, using at least the following recommended components:
- (A) PET gantry (radiation detectors);
 - (B) Device electronics and controller;
 - (C) Central processing unit (PET computer);
 - (D) Display console (TV screen);
 - (E) Keyboard;
 - (F) Line printer; and
 - (G) Cyclotron (an on-site medical cyclotron for radionuclide production and a chemistry

unit for labeling radiopharmaceuticals; or an on-site rubidium-82 generator; or access to a supply of cyclotron-produced radiopharmaceuticals from an off-site medical cyclotron and radiopharmaceutical production facility within a two-hour air transport radius; and a diagnostic imaging unit).

- (15) **Radiation Therapy** means a treatment technique for cancer and other diseases using X-radiation or other sources of radioactivity in which resultant ionizing radiation retards the progress of the disease, using at least the following recommended components:

- (A) Linear accelerator;
- (B) Simulator with radiographic/fluoroscopic capabilities;
- (C) Treatment planning computer;
- (D) Dosimetry equipment;
- (E) Block cutting machine;
- (F) X-ray film processor; and
- (G) Other (includes calibration equipment).

- (16) **Radiation Therapy Utilization** shall be expressed in terms of patient visits.

- (17) **Surgery** means the treatment of disease, injury, or deformity by manual or instrumental operations and is practiced in a variety of settings which individually mean:

- (A) **Ambulatory Surgical Facility** means an establishment as defined in section 197.200 (1), RSMo.

- (B) **Open Heart Surgery** means any operation on the heart which uses extracorporeal circulation, such as coronary artery bypass surgery, cardiac transplantation, cardiac valve repair or replacement, correction of other acquired or congenital heart defects, and/or removal of a cardiac tumor; the services are provided using at least the following recommended components in addition to a normal operating room:

- 1. Heart-lung bypass unit;
- 2. Back-up heart-lung bypass unit;
- 3. Intra-aortic balloon pump;
- 4. Ventilator for pulmonary support;
- 5. Open heart surgery instruments;
- 6. Special operating room lights for open heart surgery;
- 7. Ability to perform renal dialysis or kidney dialysis;
- 8. Cardiac surgery post-operative intensive care unit; and
- 9. Cardiac catheterization and angiographic facility.

- (C) **All Other Surgery** means:

- 1. Scheduled procedures provided to patients who remain in the hospital more than twenty-four (24) hours; or
- 2. Procedures performed in operating rooms also used for inpatient surgery, specially designated surgical suites for outpatient surgery, or procedure rooms within an outpatient care facility.

- (18) **Residential Care Facility I** means any premises as defined in Section 198.006(15), RSMo.

- (19) **Residential Care Facility II** means any premises as defined in Section 198.006(16), RSMo.

- (20) **Intermediate Care Facility** means any premises as defined in Section 198.006(8), RSMo.

- (21) **Skilled Nursing Facility** means any premises as defined in Section 198.006(17), RSMo.

- (22) **Long Term Care Hospital** means an establishment as described in 42 CFR, Section 412.23(e).

19 CSR 60-50.400 Letter of Intent Process

- (1) Applicants shall submit a Letter of Intent (LOI) package to begin the Certificate of Need (CON) review process preceding the submission of the CON application according to the following timeframes:
 - (A) For standard proposals, at least thirty (30) days, but no more than six (6) months;
 - (B) For LTC bed expansion proposals by purchase, at least 30 days, but no more than eighteen (18) months; and
 - (C) For LTC bed expansion proposals for which an effort to purchase was unsuccessful, at least eighteen (18) months, but no more than twenty-four (24) months.
- (2) Once filed, a LOI may be amended once, at least thirty (30) days in advance of the CON application filing, or it may be withdrawn at any time without prejudice.
- (3) A LTC bed expansion or replacement as defined in these rules includes all of the provisions pursuant to Section 197.318.8 through 197.318.10, RSMo, requiring a CON application, but allowing abbreviated information requirements and review timeframes. When a LOI for a LTC bed expansion (except replacements) is filed, the CONP staff shall immediately request certification for that facility of average licensed bed occupancy and final Class 1 patient care deficiencies for the most recent six (6) consecutive calendar quarters by the Division of Aging (DA), Department of Social Services through a LTC Facility Expansion Certification (Form MO 580-2351) to verify compliance with occupancy and deficiency requirements pursuant to Section 197.318.8, RSMo. Occupancy data shall be taken from the DA's most recently published Quarterly Survey of Hospital and Nursing Home (or Residential Care Facility) Bed Utilization reports. For LTC bed expansions or replacements, the sellers and purchasers shall be defined as the owner(s) and operator(s) of the respective facilities, which includes building, land, and license. On the Purchase Agreement (Form MO 580-2352), both the owner(s) and operator(s) of the purchasing and selling facilities should sign.
- (4) The Certificate of Need Program (CONP) staff, as an agent of the Missouri Health Facilities Review Committee (Committee), will review LOIs according to the following provisions:
 - (A) Major medical equipment is reviewed as a expenditure on the basis of cost, regardless of owners or operators, or location (mobile or stationary);
 - (B) The CONP staff shall test the LOI for applicability in accordance with the Expenditure Minimums Applicability Test (Form MO 580-2157); and the Exemptions and Exceptions Applicability Test (Form MO 580-2158);
 - (C) If the test verifies that a statutory exception or exemption is met on a proposed project, or is below all applicable expenditure minimums, the Committee Chairman may issue a Non-Applicability CON letter indicating the application review process is complete; otherwise, the CONP staff shall add the proposal to a list of Non-Applicability proposals to be considered at a Committee meeting;
 - (D) If an exception or exemption is not met, and if the proposal is above any applicable expenditure minimum, then a CON application will be required for the proposed project;
 - (E) A Non-Applicability CON letter will be valid subject to the following conditions:
 1. Any change in the project scope, including change in type of service, cost, operator, ownership, or site, could void the effectiveness of the letter and require a new review; and
 2. Final audited project costs, including a notarized project cost verification, must be provided on a Periodic Progress Report (Form MO 580-1871) before any additional beds are licensed or new services offered.

(F) A CON application must be made if:

1. The project involves the development of a new health care facility costing in excess of one million dollars (\$1,000,000);
 2. The project involves a capital expenditure, excluding major medical equipment, by or on behalf of a health care facility not licensed under Chapter 198, RSMo, costing in excess of one million dollars (\$1,000,000);
 3. The project involves the acquisition or replacement of major medical equipment in an existing or proposed health care facility not licensed under Chapter 198, RSMo costing in excess of one million dollars (\$1,000,000);
 4. The project involves the acquisition or replacement of major medical equipment for a health care facility licensed under Chapter 198, RSMo, costing in excess for four hundred thousand dollars (\$400,000);
 5. The project involves the acquisition of any equipment or beds in a long-term care hospital meeting the requirements found in 42 CFR Section 412.23(e) at any cost;
 6. The project involves a capital expenditure, but not additional beds, by or on behalf of an existing health care facility licensed under Chapter 198, RSMo, costing in excess of one million dollars (\$1,000,000);
 7. The project involves predevelopment costs in excess of one hundred and fifty thousand dollars (\$150,000);
 8. For facilities not licensed under Chapter 198, RSMo, the project involves a change in licensed bed capacity of a health care facility or reallocation of an existing health care facility's licensed beds among services, physical facilities, or sites by more than 10 beds or 10% of the total bed capacity, whichever is less over a two-year period; or
 9. Prior to January 1, 2003, the project involves additional long term care (licensed or certified residential care facility I or II, intermediate care facility, or skilled nursing facility) beds or LTC bed expansions or replacements as defined in paragraph (3) above of this Rule, regardless of cost, with certain exemptions and exceptions.
- (5) If eighteen (18) months have expired after the filing of an LOI for a LTC bed expansion proposal without the filing of an application, then the CONP Staff shall request occupancy verification pursuant to Section 197.318.8(1)(e), RSMo, by the DA who shall also provide a copy to the potential applicant.
- (6) Non-substantive projects are waived from review by the authority of Section 197.330.1(8), RSMo.
- (7) Special forms are furnished by the Certificate of Need Program and incorporated into this Rule by reference as follows:
- (A) Form MO 580-2351;
 - (B) Form MO 580-2157;
 - (C) Form MO 580-2158; and
 - (D) Form MO 580-1871.

19 CSR 60-50.410 Letter of Intent Package

- (1) The Letter of Intent (LOI) (Form MO 580-1860) shall be completed as follows:
- (A) **Project Title and Location** — sufficient information to identify the intended service, such as construction, renovation, new or replacement equipment, and address or plat map identifying a specific site rather than a general area (county designation alone is not sufficient);
 - (B) **Applicant Identification** — the full legal name of all owner(s) and operator(s) which compose the applicant(s) who, singly or jointly, propose to develop, offer, lease or operate a new institutional health service within Missouri; provide the corporate entity, not individual names, of the corporate board of directors or the facility administrator;

- (C) **Applicability** — the applicant indicates the reason for the review;
 - (D) **Estimated Project Cost** — total estimated project cost – not required for long term care (LTC) bed expansions pursuant to Section 197.318.8(1), RSMo;
 - (E) **Authorized Contact Person Identification** — the full name, title, address (including association), telephone number, and fax number; and
 - (F) **Project Description** — information which provides details of the number of beds to be added, deleted, or replaced, square footage of new construction and/or renovation, services affected and equipment to be acquired. If replacement project, information which provides details of the facilities or equipment to be replaced, including name, location, distance from the current site, and its final disposition.
- (2) If an applicability test is sought, applicants shall submit the following additional information:
- (A) Proposed Expenditures (Form MO 580-2156) including information which details all methods and assumptions used to estimate project costs — applicants should use the Proposed Expenditures Worksheet (Form MO 580-2375) as an aid in completing the Proposed Expenditures form;
 - (B) Schematic drawings; and
 - (C) In addition to the above information, for exceptions or exemptions, a copy of the current facility license and documentation of other provisions in compliance with the Certificate of Need (CON) statute, as described in paragraphs (3) through (6) below of this Rule.
- (3) If an exemption is sought for a residential care facility of one hundred (100) beds or less operated by a religious organization pursuant to Section 197.305(7), RSMo, applicants shall submit the following additional information:
- (A) A letter from the Internal Revenue Service documenting the religious organization's 501(c)(3) tax-exempt status;
 - (B) Copies of the religious organization's By-Laws and Articles of Incorporation stating the organization's religious mission;
 - (C) A letter from the religious organization stipulating that it will be the licensed operator and public funds would not be used for the purchase or operation of the proposed facility; and
 - (D) Any other documents necessary to establish compliance with Section 197.305(7), RSMo.
- (4) If an exemption is sought for a residential care facility I or II pursuant to Section 197.312, RSMo, applicants shall submit documentation that this facility had previously been owned or operated for or on behalf of St. Louis City.
- (5) If an exemption is sought pursuant to Section 197.314(1), RSMo, for a sixty- (60) bed stand-alone facility designed and operated exclusively for the care of residents with Alzheimer's disease or dementia and located in a tax increment financing district established prior to 1990 within any county of the first classification with a charter form of government containing a city with a population of over three hundred fifty thousand (350,000) and which district also has within its boundaries a skilled nursing facility (SNF), applicants shall submit documentation that the health care facility would meet all of these provisions.
- (6) If an exemption is sought pursuant to Section 197.314(2), RSMo, for either of two SNFs of up to twenty (20) beds each, by a Chapter 198 facility that is owned or operated by a not-for-profit corporation which was created by a special act of the Missouri general assembly, is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, is owned by a religious organization and is to be operated as part of a continuing

care retirement community offering independent living, residential care and skilled care which had no skilled nursing beds as of January 1, 1999, documentation that the health care facility would meet all of these provisions.

- (7) The LOI must have an original signature (in blue ink) for the contact person; therefore, faxed forms are not acceptable.
- (8) Special forms are furnished by the Certificate of Need Program and incorporated into this Rule by reference as follows:
 - (A) Form MO 580-1860;
 - (B) Form MO 580-2156; and
 - (C) Form MO 580-2375.

19 CSR 60-50.420 Application Process

- (1) The Certificate of Need (CON) application filing deadline is at least seventy-one (71) days prior to each Missouri Health Facilities Review Committee (Committee) meeting, except for long term care (LTC) bed expansions and replacements pursuant to Section 197.318.8 through 197.318.10, RSMo, which is at least forty-one (41) days. The filing must occur at the principal office of the Committee during regular business hours. Publication of the Application Review Schedule (schedule) shall occur on the next business day after the CON application filing deadline.
- (2) A CON application filing that does not substantially conform with the Letter of Intent, including any change in owner(s), operator(s), scope of services, location, or cost increase (except for LTC bed expansions pursuant to Section 197.318.8, RSMo) of more than ten percent (10%), shall not be considered a CON application and shall be subject to the following provisions:
 - (A) The Certificate of Need Program (CONP) staff shall return any nonconforming submission; or
 - (B) The Committee may issue an automatic denial unless the applicant withdraws the attempted application.
- (3) The CONP staff, as an agent of the Committee, shall provide notification of applications received through publication of the schedule. The schedule shall include the filing date of the application, a brief description of the proposed service, the time and place for filing comments and requests for a public hearing, and the tentative date of the meeting at which the application is scheduled for review. The publication of the schedule is conducted through the following actions:
 - (A) The schedule shall be submitted to the Secretary of State's Office for publication in the next regularly scheduled *Missouri Register*;
 - (B) A press release about the CON application schedule shall be sent to all newspapers of general circulation in Missouri as supplied by the Department of Health Office of Public Information; and
 - (C) The schedule shall be mailed to all affected persons who have registered with the staff as having an interest in such CON applications.
- (4) When a LTC application is filed pursuant to Section 197.318.1, RSMo, the CONP staff shall immediately request certification of licensed and available bed occupancy and deficiencies for each of the most recent four (4) consecutive calendar quarters in the county and fifteen-(15) mile radius by the Division of Aging (DA), Department of Social Services.
- (5) The CONP staff shall review CON applications relative to the Criteria and Standards in the order filed.

- (6) The CONP staff shall notify the applicant in writing regarding the completeness of the CON application within fifteen (15) calendar days of filing.
- (7) Verbal information or testimony shall not be considered part of the application.
- (8) Subject to statutory time constraints, the CONP staff shall submit its written analysis to the Committee in time for the first Committee meeting following the seventieth (70th) day after the CON application is filed, except for LTC bed expansions and replacements pursuant to Section 197.318.8 through 197.318.10, RSMo, which is the fortieth (40th) day. The written analysis of the CONP staff shall be submitted to the applicant no less than fifteen (15) days before the meeting, except for LTC bed expansions and replacements pursuant to Section 197.318.8 through 197.318.10, RSMo, which is seven (7) days.
- (9) An applicant may withdraw an application without prejudice by written notice at any time prior to the Committee's decision. Later submission of the same application or an amended application shall be handled as a new application with a new fee.
- (10) In addition to using the Service-Specific Criteria and Standards as guidelines, the Committee may also consider other factors to include, but not be limited to, the number of patients requiring treatment, the changing complexity of treatment, unique obstacles to access, competitive financial considerations, or the specialized nature of the service.

19 CSR 60-50.430 Application Package

- (1) A Certificate of Need (CON) application package shall be accompanied by an application fee which shall be a nonrefundable minimum amount of one thousand dollars (\$1000) or one-tenth of one percent (0.1%) of the total project cost, whichever is greater, made payable to the "Missouri Health Facilities Review Committee."
- (2) A written application package consisting of an original and eleven (11) bound copies (comb or three-ring binder) shall be prepared and organized as follows:
 - (A) The **CON Applicant's Completeness Check List and Table of Contents** (Form MO 580-2159) should be used as follows:
 1. Include at the front of the application;
 2. Check the appropriate "done" boxes to assure completeness of the application;
 3. Number all pages of the application sequentially and indicate the page numbers in the appropriate blanks;
 4. Check the appropriate "n/a" box if an item in the Review Criteria is "not applicable" to the proposal;
 5. Restate (preferably in bold type) and answer any item in the Review Criteria that is not checked "n/a";
 6. Ignore any item in the Review Criteria that is checked "n/a"; and
 7. For LTC bed expansions and replacements pursuant to Section 197.318.8 through 197.318.10, RSMo, address only those items marked with an "***".
 - (B) The application should be formatted into five (5) **Dividers** using the following outline (except LTC bed expansions and replacements, which use parts of Dividers I, II, and III):
 1. Divider I. Application Summary;
 2. Divider II. Proposal Description;
 3. Divider III. Service-Specific Criteria and Standards;
 4. Divider IV. Financial Feasibility; and
 5. Divider V. Alternatives.
 - (C) **Support Information** should be included at the end of each Divider section to which it pertains, and should be referenced in the Divider narrative.

- (D) The application package should document the need or meet the additional information requirements in 19 CSR 60-50.450(4-6) for the proposal by addressing the applicable **Service-Specific Criteria and Standards** using the guidelines in 19 CSR 60-50.310 and standards in 19 CSR-50.440 through 460 plus providing additional documentation to substantiate why any proposed alternative Criteria and Standards should be used.
- (3) An **Application Summary** shall be composed of the completed forms in the following order:
- (A) A copy of the previously submitted Letter of Intent (LOI) (Form MO 580-1860);
 - (B) Applicant Identification (Form MO 580-1861);
 - (C) A completed Representative Registration (Form MO 580-1869) for the contact person and any others as required by Section 197.326(1), RSMo;
 - (D) Application Abstract and Certification (Form MO 580-1862); and
 - (E) Proposed Project Budget (Form MO 580-1863).
- (4) The **Proposal Description** shall include documents which:
- (A) Provide a complete detailed description and scope of the project and identify all the institutional services or programs which will be directly affected by this proposal;
 - (B) Describe the legal aspects of the applicant(s) and the nature of any management arrangement including:
 - 1. A copy of any current state or local facility license or a copy of the "Certificate of Corporate Good Standing" from the Secretary of State's Office to document that the project sponsor has the ability to do business in Missouri;
 - 2. A copy of the current or proposed operating lease, if applicable;
 - 3. A copy of the current or proposed management contract, if the facility is to be managed by an entity other than the project applicant; and
 - 4. Identify and diagram all other components of the corporate organization of which the proposed project is part and identify all entities therein.
 - (C) Describe the developmental details including:
 - 1. A legible city and county map showing the exact location of the facility or health service and a copy of the site plan showing the relation of the project to existing structures and boundaries;
 - 2. Preliminary schematics for the project that specify the functional assignment of all space which will fit on an eight and one-half inch by eleven inch (8 1/2" X 11") format. The function for each space, before and after construction or renovation, shall be clearly identified and all space shall be assigned;
 - 3. Evidence of submission of architectural plans to the Division of Aging engineer for long term care projects and the Department of Health architect for other facilities;
 - 4. Existing and proposed gross square footage for the entire facility and for each institutional service or program directly affected by the project. If the project involves relocation, identify what will go into vacated space, if known;
 - 5. Documentation of ownership of the project site, or that the site is available through a signed option to purchase or lease, and documentation that the site is topographically suitable for the project;
 - 6. A letter from the local zoning authority that documents that all zoning requirements can be met; and
 - 7. A listing with itemized costs of all major and other medical equipment to be purchased.
 - (D) Define the community to be served, except in the case of LTC bed expansions and replacements pursuant to Section 197.318.8 through 197.318.10, RSMo, which use paragraphs (10) and (11) below:

1. Describe the service area(s) population using year 2005 populations and projections which are consistent with those provided by the Bureau of Health Data Analysis (or the Office of Social and Economic Data Analysis [OSED] when additional long term care facilities are sought) which can be obtained by contacting:

Chief, Bureau of Health Data Analysis
Center for Health Information Management and Epidemiology (CHIME)
P. O. Box 570, Jefferson City, MO 65102
Telephone: (573) 751-6278
or
Director, Office of Social and Economic Data Analysis
625 Clark Hall, University of Missouri
Columbia, MO 65211
Telephone: (573) 882-7396.

There will be a charge for any of the information requested, and seven to fourteen (7-14) days should be allowed for a response from the Bureau of Health Data Analysis or OSED. Information requests should be made to the Bureau or OSED such that the response is received at least two weeks before it is needed for incorporation into the CON application.

2. Use the maps and population data received from the Bureau of Health Data Analysis or OSED with the CON Applicant's 15-Mile Radius Population Determination Method to determine the estimated population, as follows:
 - A. Utilize all of the population for zip codes entirely within the 15-mile radius;
 - B. Reference a state highway map (or a map of greater detail) to verify population centers (see Bureau of Health Data Analysis information) within each zip code overlapped by the 15-mile radius;
 - C. Categorize population centers as either "in" or "out" of the 15-mile radius and remove the population data from each affected zip code categorized as "out";
 - D. Estimate, to the nearest ten percent (10%), the portion of the zip code area that is within the 15-mile radius by "eyeballing" the portion of the area in the radius (if less than 5%, exclude the entire zip code);
 - E. Multiply the remaining zip code population (total population less the population centers) by the percentage determined in "D" (due to numerous complexities, population centers will not be utilized to adjust overlapped zip code populations in Jackson, St. Louis, and St. Charles Counties or St. Louis City; instead, the total population within the zip code will be considered uniform and multiplied by the percentage determined in "D");
 - F. Add back the population center(s) "inside" the radius for zip codes overlapped; and
 - G. The sum of the estimated zip codes, plus those entirely within the radius, will equal the total population within the 15-mile radius.
3. Verify the adjusted 15-mile radius population to be included in the application by contacting the CONP staff to confirm that the above process has been appropriately applied by comparing results and negotiating any differences.
4. Provide other statistics, such as studies, patient origin or discharge data, Hospital Industry Data Institutes (HIDI) information, or consultants' reports, to document the size and validity of any proposed "geographic service area."
- (5) Identify specific community problems or unmet needs which the proposed or expanded service is designed to remedy or meet;
- (6) Provide historical utilization for each existing service affected by the proposal for each of the past three (3) years (if a replacement project, compare utilization to prior CON application, when applicable).
- (7) Provide utilization projections through at least three (3) years beyond the completion of the project for all proposed and existing services directly affected by the project.

- (8) If an alternative methodology is added, specify the method used to make need forecasts and describe in detail whether projected utilizations will vary from past trends.
- (9) Provide the current and proposed number of licensed beds by medical specialty for projects which would result in a change in the licensed bed complement of the facility.
- (10) Identify and list all those facilities and services located within the fifteen (15)-mile radius and any alternate service area providing the same type or level of service as proposed. Provide written evidence that the facilities and services so identified have been notified of this proposal. Demonstrate that the proposal will not result in an unnecessary duplication.
- (11) Document that consumers within the proposed service area are acquainted with the major components of the proposal; illustrate how they have been provided an opportunity to comment on the development and implementation of the project; and include in this section all petitions, letters of acknowledgement, support or opposition received.
- (12) Special forms are furnished by the Certificate of Need Program and incorporated into this Rule by reference as follows:
 - (A) Form MO 580-2159;
 - (B) Form MO 580-1860;
 - (C) Form MO 580-1861;
 - (D) Form MO 580-1869;
 - (E) Form MO 580-1862; and
 - (F) Form MO 580-1863.

19 CSR 60-50.440 Criteria and Standards for Hospital and Freestanding Health Services

- (1) For **new units or services** in the fifteen (15)-mile radius, use the following methodologies:
 - (A) The **population-based need formula** should be:

$$\text{Unmet Need} = (S \times P) - U$$

Where:

P = Year 2000 population in the service area(s);
 U = Number of service units in the fifteen (15)-mile radius; and
 S = Service-specific need rate of one (1) unit per population listed:

1. Magnetic resonance imaging unit	100,000
2. Positron emission tomography unit	2,000,000
3. Lithotripsy unit	1,000,000
4. Radiation therapy unit	100,000
5. Adult cardiac catheterization lab	50,000
6. Pediatric cardiac catheterization lab	50,000
7. Adult open heart surgery rooms	100,000
8. Pediatric open heart surgery rooms	100,000
9. All other operating rooms <i>(Including inpatient only, blended inpatient/outpatient, and freestanding ambulatory surgery center)</i>	10,000
10. Gamma knife	7,500,000
11. Hemodialysis	(see subpart {C})
12. Excimer laser:	
A. Metropolitan statistical area	1,000,000
B. Non-metropolitan statistical area	500,000
13. Medical/surgical bed	570

14. Pediatric bed	8,330
15. Psychiatric bed	2,080
16. Substance abuse/chemical dependency bed	20,000
17. Inpatient rehabilitation bed	9,090
18. Obstetric bed	5,880

(B) The **minimum annual utilization** for all other providers in the service area should achieve at least the following rates:

1. Magnetic resonance imaging procedures	2,000
2. Positron emission tomography procedures	1,000
3. Lithotripsy treatments	1,000
4. Radiation therapy patient visits	5,500
5. Adult cardiac catheterization procedures <i>(include coronary angioplasties)</i>	500
6. Pediatric cardiac catheterization procedures	250
7. Adult open heart surgery operations	200
8. Pediatric open heart surgery operations	100
9. All other operations:	
A. Inpatient only <i>(more than 24 hours hospital stay)</i>	400
B. Blended inpatient/outpatient <i>(less than 24 hours hospital stay)</i>	500
C. Freestanding ambulatory surgery center <i>(less than 24 hours stay)</i>	750
10. Gamma knife treatments	200
11. Hemodialysis treatments	200
12. Excimer laser procedures:	
A. Metropolitan statistical area	1,800
B. Non-metropolitan statistical area	1,800
13. Medical/surgical bed occupancy	80%
14. Pediatric bed occupancy	80%
15. Psychiatric bed occupancy	80%
16. Substance abuse/chemical dependency bed occupancy	80%
17. Inpatient rehabilitation bed occupancy	80%
18. Obstetric bed occupancy	80%

(C) **Hemodialysis services** should comply with the following standards:

1. In a Metropolitan Statistical Area (MSA) of more than 500,000, a service should have a minimum of six (6) stations;
2. In areas outside of an MSA of more than 500,000, a service should have a minimum of three (3) stations;
3. Services should have a written agreement with an acute care hospital that specifies the relationship with the dialysis facility and describes the services that the hospital will provide to patients of the dialysis facility;
4. Services should have a written agreement with a transplantation center describing the relationship with the dialysis facility and the specific services that the transplantation center will provide to patients of the dialysis facility; and
5. Applicants for hemodialysis services shall provide information which includes:
 - A. Utilization rates;
 - B. Mortality rates;
 - C. The number of patients that are home-trained and the number on home dialysis;
 - D. The number of transplants referred;
 - E. The number of patients currently on the transplant waiting list;
 - F. Hospital admission rates, by admission diagnosis, i.e., dialysis related versus non-dialysis related; and
 - G. The number of patients with infectious disease, i.e., hepatitis and AIDS, and the number converted to infectious status during the last calendar year.

- (D) **Long-term care hospitals** (such as a hospital-within-a-hospital or long term acute care hospital) should comply with the standards as described in 42 CFR, Section 412.23(3), and bed need requirements should meet the applicable population-based bed need and utilization standards in 19 CSR 60-50.450;
- (E) **Geographic service areas** and alternate methodologies may be provided in addition to the 15-mile radius calculation and should have substitute values for the population-based need formula.
- (2) For **additional units or services**, use the following methodologies:
- (A) The applicant's **optimal annual utilization** should achieve at least the following rates:
- | | |
|--|-------|
| 1. Magnetic resonance imaging procedures | 3,000 |
| 2. Positron emission tomography procedures | 1,400 |
| 3. Lithotripsy treatments | 1,000 |
| 4. Radiation therapy patient visits | 6,000 |
| 5. Adult cardiac catheterization procedures | 750 |
| 6. Pediatric cardiac catheterization procedures | 375 |
| 7. Adult open heart surgery operations | 300 |
| 8. Pediatric open heart surgery operations | 150 |
| 9. All other operations: | |
| A. Inpatient only (<i>more than 24 hours hospital stay</i>) | 600 |
| B. Blended inpatient/outpatient (<i>less than 24 hours hospital stay</i>) | 750 |
| C. Freestanding ambulatory surgery center (<i>less than 24 hours stay</i>) | 1,125 |
| 10. Gamma knife treatments | 200 |
| 11. Hemodialysis treatments | 200 |
| 12. Excimer laser procedures: | |
| A. Metropolitan statistical area | 3,600 |
| B. Non-metropolitan statistical area | 3,600 |
- (B) For **additional** magnetic resonance imaging (MRI) or positron emission tomography (PET) units or services:
1. If the applicant's utilization is below the "optimal utilization" level, but falls within the following "sub-optimal range," the Committee may consider other reasons for approving additional units or services:

A. MRI annual procedures	2,000 to 2,999
B. PET annual procedures	1,000 to 1,399
 2. Justification may be evaluated based on the answers to the following questions:
 - A. What is the financial rationale for the additional unit?
 - B. How does the additional unit affect quality of care?
 - C. How does the additional unit improve access?
 - D. How will patient satisfaction be improved?
 - E. How will the additional unit improve outcomes?
 - F. What impact will the additional unit have on utilization on all existing units?
- (3) For **replacement services**, utilization standards are not used, but rather the following questions should be answered:
- (A) When evaluating facilities and equipment:
1. What is the financial rationale for the replacement?
 2. How has the existing unit exceeded its useful life in accordance with American Hospital Association guidelines?
 3. How does the replacement unit affect quality of care compared to the existing unit?
 4. Is the existing unit in constant need of repair?
 5. Has the current lease on the existing unit expired?

6. What technological advances will the new unit include?
7. How will patient satisfaction be improved?
8. How will the new unit improve outcomes?
9. What impact will the new unit have on utilization?
10. How will the new unit add additional capabilities?

(B) When evaluating beds (not in a long term care facility):

1. What is the financial rationale for the replacement?
2. How have the existing beds exceeded their useful life?
3. How do the replacement beds affect quality of care compared to the existing beds?
4. How will patient satisfaction be improved?
5. What impact will the replacement beds have on utilization?

19 CSR 60-50.450 Criteria and Standards for Long Term Care

- (1) All additional long term care (LTC) beds in nursing homes, hospitals, and residential care facilities, and beds in long-term acute hospitals are subject to the LTC bed minimum occupancy requirements (MOR) pursuant to Sections 197.317 and 197.318(1), RSMo, with certain exemptions and exceptions pursuant to Sections 197.305(7) and 197.312, RSMo, and LTC bed expansions and replacements pursuant to Sections 197.318.8 through 197.318.10, RSMo.
- (2) The MOR for additional LTC beds pursuant to Section 197.318.1, RSMo, shall be met if the average occupancy for all licensed and available LTC beds located within the county and within fifteen (15) miles of the proposed site exceeded ninety percent (90%) during at least each of the most recent four (4) consecutive calendar quarters at the time of application filing as reported in the Division of Aging's (DA's) Quarterly Survey of Hospital and Nursing Home (or Residential Care Facility) Bed Utilization and certified through a written finding by the DA, in which case the following population-based bed need methodology shall be used to determine the maximum size of the need:
 - (A) Approval of additional ICF/SNF beds will be based on a service area need determined to be fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older minus the current supply of ICF/SNF beds shown in the Inventory of Hospital and Nursing Home ICF/SNF Beds as provided by the Certificate of Need Program (CONP) which includes licensed and Certificate of Need- (CON) approved beds; and
 - (B) Approval of additional RCF beds will be based on a service area need determined to be sixteen (16) beds per one thousand (1,000) population age sixty-five (65) and older minus the current supply of RCF beds shown in the Inventory of Residential Care Facility Beds as provided by the CONP which includes licensed and CON-approved beds.
- (3) Replacement Chapter 198 beds qualify for an exception to the LTC bed MOR plus abbreviated information requirements and review timeframes if an applicant proposes to:
 - (A) Relocate RCF beds within a six- (6) mile radius pursuant to Section 197.318.8(4), RSMo;
 - (B) Replace one-half of its licensed beds within a thirty- (30) mile radius pursuant to Section 197.318.9, RSMo; or
 - (C) Replace a facility in its entirety within a fifteen- (15) mile radius pursuant to Section 197.318.10, RSMo, under the following conditions:
 1. The existing facility's beds shall be replaced at only one (1) site;
 2. The existing facility and the proposed facility shall have the same owner(s), regardless of corporate structure; and
 3. The owner(s) shall stipulate in writing that the existing facility's beds to be replaced will not be used later to provide long term care services; or if the facility is operated

under a lease, both the lessee and the owner of the existing facility shall stipulate the same in writing.

- (4) LTC bed expansions involving a Chapter 198 facility qualify for an exception to the LTC bed MOR. In addition to the abbreviated information requirements and review timeframes, applicants shall also submit the following information:
 - (A) If an effort to purchase has been successful pursuant to Section 197.318.8(1), RSMo, a Purchase Agreement (Form MO 580-2352) between the selling and purchasing facilities, and a copy of the selling facility's reissued license verifying the surrender of the beds sold; or
 - (B) If an effort to purchase has been unsuccessful pursuant to Section 197.318.8(1), RSMo, a Purchase Agreement (Form MO 580-2352) between the selling and purchasing facilities which documents the "effort(s) to purchase" LTC beds.
- (5) An exception to the LTC bed MOR and CON application filing fee will be recognized for any proposed facility which is designed and operated exclusively for persons with acquired human immunodeficiency syndrome (AIDS).
- (6) An exception to the LTC bed MOR will be recognized for a proposed LTC facility where at least ninety-five percent (95%) of the patients require kosher diets pursuant to Section 197.318.5, RSMo.
- (7) Any newly-licensed Chapter 198 facility established as a result of the Alzheimer's and dementia demonstration projects pursuant to Chapter 198, RSMo, or aging-in-place pilot projects pursuant to Chapter 198, RSMo, as implemented by the DA, may be licensed by the DA until the completion of each project. If a demonstration or pilot project receives a successful evaluation from the DA and a qualified Missouri school or university, and meets the DA standards for licensure, this will ensure continued licensure without a new CON.
- (8) A special form is furnished by the Certificate of Need Program and incorporated into this Rule by reference as Form MO 580-2352.

19 CSR 60-50.460 Criteria and Standards for Other Health Services and Emerging Technology

- (1) For other health services not previously listed in the Criteria and Standards for Hospitals and Freestanding Services or Long Term Care, including renovation, modernization, outpatient services, and special procedures, the applicant shall document the following:
 - (A) The proposed project is needed to comply with current facility code requirements of local, state or federal governments;
 - (B) The proposed project is needed to meet requirements for licensure, certification or accreditation, which if not undertaken, could result in a loss of accreditation or certification;
 - (C) Operational efficiencies will be attained through reconfiguration of space and functions;
 - (D) The methodologies used for determining need; and
 - (E) The rationale for the reallocation of space and functions.
- (2) For emerging technology not currently available in the state or not in general usage in the state, the following shall be documented:
 - (A) The medical effects shall be described and documented in published scientific literature;

- (B) The degree to which the objectives of the technology have been met in practice;
- (C) Any side effects, contraindications or environmental exposures;
- (D) The relationships, if any, to existing preventive, diagnostic, therapeutic or management technologies and the effects on the existing technologies;
- (E) Food and Drug Administration approval; and
- (F) The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal.

19 CSR 60-50.470 Criteria and Standards for Financial Feasibility

- (1) Provide a detailed Proposed Project Budget (Form MO 580-1863), with an attachment which details how each line item was determined including all methods and assumptions used:
 - (A) Proposals for hospital, nursing home, or ambulatory surgery center construction and/or renovation must include documentation that the proposed costs per square foot are reasonable when compared to the latest "RS Means Construction Cost Data" available from Certificate of Need Program (CONP) any proposal with costs in excess of the three-fourths (3/4) percentile must include justification for the higher costs);
 - (B) Proposals involving construction and/or renovation in facilities, other than hospitals, nursing homes, and ambulatory surgery centers, must include documentation that the proposed costs per square foot are reasonable; and/or
 - (C) Proposals which include major and other medical equipment should include an equipment list with prices and documentation in the form of bid quotes, purchase orders, catalog prices, or other sources to substantiate the proposed equipment costs.
- (2) Document that sufficient financing will be available to assure completion of the project by providing the following:
 - (A) The total amount of any loan or bond issue, the annual rate of interest and the date the funds will become available and a letter from a bona fide bond underwriting firm or financial institution indicating a willingness to market the bonds or provide the loan within the general terms specified in the application;
 - (B) The debt service schedule for the life of the proposed loan or bond issue;
 - (C) Details of any special provisions, such as tax-exempt status or future limitations on borrowings and estimates of all costs and charges which are part of making the loans or issuing the bonds;
 - (D) If a lease is to be used, provide a copy of the proposed lease showing all conditions and financial commitments;
 - (E) If fund-raising activities or cash holdings are an expected source of funds, provide documentation of the reliability and availability of these sources;
 - (F) If related organizations are involved in applying for a project, including underwriting or guaranteeing a loan, provide adequate financial information to document the credit worthiness of the related organization; and
 - (G) Detail why the proposed plan of financing was selected and how it was determined to be cost-effective.
- (3) Document financial feasibility by including:

- (A) The Institution's Income Statement (Form MO 580-1864) for the past three (3) years projected through three (3) years beyond project completion;
 - (B) The Service-Specific Revenues and Expenses (Form MO 580-1865) for each revenue generating service affected by the project for the past three (3) years projected through three (3) years beyond project completion;
 - (C) The Detailed Institutional Cash Flows (Form MO 580-1866) for the past three (3) years projected through three (3) years beyond project completion;
 - (D) Detail sheets for Form MO 580-1864, Form MO 580-1865, and Form MO 580-1866 that clearly explain all methods and assumptions used to develop the projections;
 - (E) For existing services, a copy of the latest available audited financial statements or the most recent Internal Revenue Service (IRS) 990 Form or similar IRS filing for facilities not having individual audited financial statements;
 - (F) The Reimbursement Sources for Latest Year (Form MO 580-1867); and
 - (G) The Depreciation Schedule (Form MO 580-1868) for the project.
- (4) Show how the proposed service will be affordable to the population in the proposed service area:
- (A) Document how the proposal would impact current patient charges, and disclose the method for deriving charges for this service, including both direct and indirect components of the charge;
 - (B) Compare the proposed service charges in this application with current patient charges of similar services in the proposed service area, utilizing the most recent *Buyer's Guide: Outpatient Procedures* published by the Missouri Department of Health;
 - (C) Document that adequate reimbursement structures will be available;
 - (D) Demonstrate that the proposed service will be responsive to the needs of the medically indigent through such mechanisms as fee waivers, reduced charges, sliding fee scales or structured payments; and
 - (E) Demonstrate that the proposed service would have a net benefit to the specific geographic service area when compared to its total costs.

19 CSR 60-50.480 Criteria and Standards for Alternatives

- (1) Describe all alternatives, such as other services, locations, equipment, vendors, and methods, considered when planning the project and provide a cost estimate for each.
- (2) Describe the processes and rationale followed in reviewing and selecting the proposed application.
- (3) Demonstrate that the proposal selected is the most cost-effective method of providing the proposed services.

19 CSR 60-50.500 Additional Information

- (1) Additional information requested by the Missouri Health Facilities Review Committee (Committee) shall be submitted within the time frame specified by the Committee.

- (2) If an application is determined to be incomplete, the applicant shall be notified within fifteen (15) calendar days after filing. The applicant's written response shall be received within fifteen (15) calendar days after receipt of notification.
- (3) Information submitted by interested parties should be received at the Committee's principal office at least thirty (30) calendar days before the scheduled meeting of the Committee.
- (4) Copies of any additional information sent directly to the Committee by applicants or interested parties should also be sent to the Certificate of Need Program (CONP) for file copies.
- (5) When a request in writing is filed by any affected person within thirty (30) calendar days from the date of publication of the Application Review Schedule, the Committee or CONP staff shall hold a public hearing on any application under the following conditions:
 - (A) The hearing may be conducted in the city of the proposed project if monetarily feasible;
 - (B) The CONP staff will present the introductions and orientation for the public hearing;
 - (C) The applicant may have up to fifteen (15) minutes for an applicant presentation at the public hearing;
 - (D) Any person may present written testimony and up to five (5) minutes of verbal testimony at the public hearing; and
 - (E) The testimony shall become a part of the record of the review.

19 CSR 60-50.600 Certificate of Need Decisions

- (1) Parliamentary procedures for all meetings shall follow *Robert's Rules of Order*, newly revised 1990 edition, 9th edition.
- (2) The Certificate of Need Program's analysis becomes the findings of fact for the Missouri Health Facilities Review Committee (Committee) decision except to the extent that it is expressly rejected, amended or replaced by the Committee in which case the minutes of the Committee will contain the changes and become the amended findings of fact of the Committee. The Committee's final vote becomes conclusion of law.
- (3) A final decision is rendered on any application after each Committee member present is given the opportunity to vote and the chairman announces the passage or defeat of the motion on the floor. The chairman or acting chairman shall vote only in case of a tie.
- (4) The Committee shall make a decision on an application within one hundred-thirty (130) calendar days after the date the application is filed, and subsequently notify the applicant by providing either a legal certificate or denial letter.

19 CSR 60-50.700 Post-Decision Activity

- (1) Applicants who have been granted a Certificate of Need (CON) shall file reports with the Missouri Health Facilities Review Committee (Committee), using Periodic Progress Report (Form MO 580-1871). The reports shall be filed by the end of each six (6)-month period from CON approval until project construction and expenditures are complete. All Periodic Progress Reports must be notarized and contain a complete and accurate accounting of all expenditures for the report period.
- (2) Applicants who fail to incur a capital expenditure within six (6) months may request an extension of six (6) months by submitting a letter to the Committee outlining the reasons for

the failure, with a listing of the actions to be taken within the requested extension period to insure compliance; the Certificate of Need Program (CONP) on behalf of the Committee will analyze the request and grant an extension, if appropriate — **there will be no subsequent extensions.**

- (3) A CON shall be subject to forfeiture for failure to:
 - (A) Incur a project-specific capital expenditure within twelve (12) months after the date the CON was issued through initiation of project construction or lease/purchase of the proposed equipment since a capital expenditure, according to generally accepted accounting principles, must be applied to a capital asset; or
 - (B) File the required Periodic Progress Report.
- (4) If the CONP finds that a CON may be subject to forfeiture:
 - (A) Not less than thirty (30) calendar days prior to a Committee meeting, the CONP shall notify the applicant in writing of the possible forfeiture, the reasons for it, and its placement on the Committee agenda for action; and
 - (B) After receipt of the notice of possible forfeiture, the applicant may submit information to the Committee within ten (10) calendar days to show compliance with this rule or other good cause as to why the CON shall not be forfeited.
- (5) If the Committee forfeits a CON, CONP shall notify all affected state agencies of this action.
- (6) Cost overrun review procedures implement the CON statute section 197.315.7., RSMo. Immediately upon discovery that a project's actual costs would exceed approved project costs by more than ten percent (10%), an applicant shall apply for approval of the cost variance. A nonrefundable fee in the amount of one-tenth of one percent (0.1%) of the additional cost made payable to "Missouri Health Facilities Review Committee" shall be required. The original and eleven (11) copies of the information requirements for a cost overrun review are required as follows:
 - (A) Project identification shall include:
 - 1. Historical information:
 - A. Copy of original CON as issued (legal certificate);
 - B. Copy of Applicant Identification form from original application; and
 - C. Copy of latest filed Periodic Progress Report.
 - 2. New Application Abstract and Certification.
 - (B) Amount and justification for cost overrun shall document:
 - 1. Why and how the approved project costs would be exceeded, including a detailed listing of the areas involved;
 - 2. Any changes that have occurred in the scope of the project as originally approved; and
 - 3. The alternatives to incurring this overrun that were considered and why this particular approach was selected.
 - (C) Document that sufficient financing will be available to assure completion of the project by providing:
 - 1. Revised loan, bond, lease or fundraising information, or any combination of these;
 - 2. New financial forms with narrative support including:
 - A. Proposed Project Budget (Form MO 580-1863);
 - B. Institution's Income Statement (Form MO 580-1864);
 - C. Specific Revenues and Expenses (Form MO 580-1865);
 - D. Detailed Institutional Cash Flows (Form MO 580-1866);

- E. Reimbursement Sources for Latest Year (Form MO 580-1867); and
 - F. Depreciation Schedule (Form MO 580-1868).
 - 3. The impact the cost overrun will have upon the estimated patient charges included in the original application.
- (7) At any time during the process from Letter of Intent to project completion, the applicant is responsible for notifying the Committee of any change in the designated contact person. If a change is necessary, the applicant must file a Contact Person Correction (Form MO 580-1870).

19 CSR 60-50.800 Meeting Procedures

- (1) The regular meetings of the Missouri Health Facilities Review Committee (Committee) to consider Certificate of Need (CON) applications shall be held approximately every eight (8) weeks according to a schedule adopted by the Committee before the beginning of each calendar year and modified periodically to reflect changes. A copy of this calendar may be obtained from the CON Program (CONP).
- (2) The original and eleven (11) copies of all new information not previously in the application or requests for the addition of agenda items shall be received by the CONP at least thirty (30) calendar days before the scheduled meeting with one (1) exception — an applicant shall have no less than fifteen (15) days to respond to the findings of the staff and adverse information received from other parties. An applicant should respond in writing to an inquiry from a Committee member at any time and the response shall be provided to the Committee for consideration.
- (3) Any Committee member may request that an item be added to the agenda up to twenty-four (24) hours before the scheduled meeting, exclusive of weekends and holidays when the principal office is closed.
- (4) The tentative agenda for each Committee meeting shall be released at least twenty (20) calendar days before each meeting.
- (5) The Committee may give the applicant and interested parties an opportunity to make brief presentations at the meeting according to the Missouri Health Facilities Review Committee Meeting Format and Missouri Health Facilities Review Committee Meeting Protocol. The applicant and interested parties shall conform to the following procedures:
 - (A) The applicant's presentation shall be a key points summary based on the written application and shall not exceed ten (10) minutes inclusive of all presenters with five (5) minutes additional time for summation;
 - (B) Others in support or opposition to the applicant's project — such as political representatives, citizens of the community and other providers — shall be categorized as unrelated parties and shall appear after the applicant's presentation;
 - (C) Regardless of the number of presenters involved in the presentation, individual presentations by unrelated parties in support of or opposition to the applicant's project shall not exceed three (3) minutes each;
 - (D) No new material shall be introduced with the exception of materials or information provided in response to the staff or at the request of a Committee member;
 - (E) Rebuttals by applicants of presentations by interested parties are generally allowed;
 - (F) All presenters shall complete and sign a Representative Registration (Form MO 580-1869) and give it to the sign-in coordinator prior to speaking;

- (G) The reserved area in the hearing room may be used by an applicant only during the applicant's presentation and then vacated for the next group — individuals waiting to present shall remain clear of the podium and staff area until specifically called by the chairman; and
 - (H) Prescribed time limits shall be monitored by the timekeeper, and presenters shall observe the timekeeper's indications of lapsed time to ensure that each presenter has an opportunity to present within the allotted time.
- (6) Additional meetings of the Committee may be held periodically. These meetings may include educational workshops for members to gain knowledge, meetings with representative organizations for cooperative purposes, discussion of rules, seeking legal advice from counsel, and other issues.

19 CSR 60-50.900 Administration

- (1) The role of the Missouri Health Facilities Review Committee (Committee) includes the following:
- (A) Make specific decisions about applications, applicability and administrative matters;
 - (B) Make policy decisions to include the development of rules; and
 - (C) Oversee operations of the Certificate of Need Program (CONP).
- (2) The role of the CONP includes the following:
- (A) Act as an agent of the Committee; and
 - (B) Perform administrative tasks.
- (3) The CONP shall be staffed as follows:
- (A) The Committee shall employ a CONP director and additional staff to perform the duties assigned to it by law;
 - (B) The Committee shall designate the CONP director, or his/her designee, to perform any administrative functions that may be required of the Committee by law; and
 - (C) The CONP staff shall be housed at the principal office of the Committee.
- (4) The Committee shall maintain its principal office in Jefferson City where it will;
- (A) Accept letters of intent, applications and any other written communication related to the conduct of the CONP;
 - (B) Accept service of legal process;
 - (C) Maintain its records; and
 - (D) Post all notices required by law.
- (5) The CONP staff shall provide technical assistance to potential applicants.
- (6) The Committee and CONP staff shall publish quarterly reports containing the status of reviews being conducted, the reviews completed since the last report, and the decisions made, plus an annual summary of activities for the past calendar year.



Certificate of Need Program

LETTER OF INTENT

Project and Applicant Information (this form must be included in the application, see note at end of next page)			
1. Project Title and Location (attach additional pages as necessary to identify multiple project sites.)			
Title of Proposed Project		County	
Project Address (Street/City/State/Zip Code or plat map, if no address)		Legislative District Number:	
		Senate	House
2. Applicant Identification (attach additional pages as necessary to list all owners and operators)			
List All Owner(s): (list corporate entity)		Address (Street/City/State/Zip Code)	
		Telephone Number	
List All Operator(s): (list entity to be licensed or certified)		Address (Street/City/State/Zip Code)	
		Telephone Number	
3. Applicability (In accordance with §197.315 RSMo. any new institutional health service requires a CON before being offered or developed)			
(indicate the reason[s] for review or the exception/exemption sought)			
☐ If proposed expenditures are less than the minimums in §197.305(6), then attach a Proposed Expenditures form and all necessary supporting documentation to illustrate how those amounts were determined, such as schematic drawings and equipment quotes.			
☐ If the proposal meets one of the exemptions in §197.305(7), §197.305(10), §197.312, or §197.314, then attach detailed documentation substantiating compliance with the statutory provisions.			
☐ If proposed expenditures are required solely to solve the "Year 2000 Compliance Problem" for computers as part of or related to medical equipment in §197.300(9)(E).			
☐ If the proposal does not qualify for an exemption or an exception listed above, complete only this form as the first step in the application process.			
☐ If LTC bed expansion is sought pursuant to §197.318.8(1), complete this form (cost info not required).			
☐ If LTC bed replacement is sought pursuant to §197.318.8(4), §197.318.9 or §197.318.10, complete this form.			
4. Proposed Project Costs Capital: \$ _____ Equipment: \$ _____ Total: \$ _____			
5. Authorized Contact Person Identification (only one per project, regardless of number of owners/operators)			
Name of Contact Person		Title	
Contact Person Address (Company/Street/City/State/Zip Code)			
Signature of Contact Person (in blue ink)	Date of Signature	Telephone Number	Fax Number

6. Project Description (information should be brief but sufficient to understand scope of project)

Project description to include number of beds to be added, deleted or replaced, square footage of new construction and/or renovation, services affected and equipment to be acquired. If this is a replacement proposal, provide details concerning the facilities or equipment to be replaced to include their name, location, distance from the proposal and their final disposition:

NOTE: Because an application must be preceded by a Letter of Intent that accurately describes the project, a filing that does not substantially conform with the Letter of Intent shall not be considered an application.



PROPOSED EXPENDITURES

Certificate of Need Program

Description

Dollars

(fill in every line even if the amount is "0")

COSTS:*

1. New Construction Costs **

2. Renovation Costs **

3. Subtotal Construction Costs (#1 plus #2)

4. Architectural/Engineering Fees**

5. Fixed Equipment (not in construction contract)

6. Movable Equipment

7. Land Acquisition Costs**

8. Consultants' Fees/Legal Fees**

9. Interest During Construction (net of interest earned) **

10. Other Costs***

11. Subtotal Non-construction Costs (sum of #4 thru #10)

12. Total Project Development Costs (#3 plus #11)

\$

We certify the information and data provided as accurate to the best of our knowledge and belief by our representative's signature below:

State of)
)
)
County of)

Comes now _____ who, first being sworn, verifies that the foregoing expenditures constitute a full and complete accounting of the expenditures for this project.

(Applicant's Authorized Designee Signature)****

Subscribed and sworn before me, a Notary Public, on this _____ day of _____, 20____.

(Signature of Notary Public)

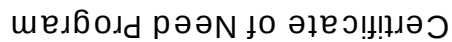
My commission expires _____

* Attach additional page(s) to provide details of how each line item was determined, including all methods and assumptions used.

** Capitalizable items to be recognized as capital expenditures after project completion.

*** Include as other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care or a tractor trailer used for a mobile unit, determined by original cost, current book value, or appraised value; or the fair market value of any leased equipment or building.

**** Original signature is required on this form in blue



page 32

**Should be used with the Proposed Expenditures Form MO 580-2156*

Description

(Fill in every line even if the amount is "0.")

Dollars

10. Equipment (fixed and movable)
11. Shielding (if not included in equipment bid quote)
12. Shipping (if not included in equipment bid quote)
13. Installation (if not included in equipment bid quote)
14. Start-up Supplies
15. Tractor and Trailer (if a mobile unit)
16. Taxes (including sales and special use taxes)
17. Other

\$

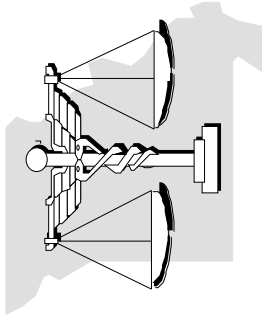
Description

(fill in every line even if the amount is "0")

Dollars

1. New Construction Costs
2. Renovation Costs
3. Architectural/Engineering Fees
4. Equipment (not in construction contract)
5. Land Acquisition Costs
6. Consultants' Fees/Legal Fees
7. Interest During Construction (net of interest earned)
8. Other Costs

\$



Certificate of Need Program

Expenditure Minimums Applicability Test

(to be completed by the CONP Staff)

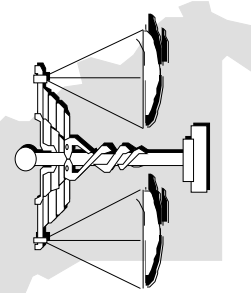
CON Finding	
Project Number	
q File Application / Fee	
q Review Process Complete	

STATUTORY REFERENCES	\$600,000 capital* \$197.305(7)(a)	\$400,000 equipment \$197.305(7)(a)	No exp. min. \$197.305(7)(a) and(b)	\$1,000,000 capital* \$197.305(7)(c)	\$1,000,000 equipment \$197.305(7)(c)	\$150,000 (amount stated)	COMMENTS
\$197.305(10)(a)	Beds in RCF / ICF / SNF (after 1/1/2003)			Hospital / ASC / Dialysis / RCF / ICF / SNF			
\$197.305(10)(b)	Beds in RCF / ICF / SNF / LTC Hosp. Part (after 1/1/2003)	RCF / ICF / SNF	Beds or Eqpt. in LTC Hospital (all beds until 12/31/99)	Hospital / ASC / Dialysis / RCF / ICF / SNF	Eqpt. in Hosp. / ASC / Dialysis		
\$197.305(10)(c)	Beds in RCF / ICF / SNF / LTC Hosp. Part (after 1/1/2003)	RCF / ICF / SNF		Hospital (incl. LTC Hosp.) / ASC / Dialysis / RCF / ICF / SNF			
\$197.305(10)(d)						LTC Hospital / RCF / ICF / SNF / Hosp. / ASC / Dial.	
\$197.305(10)(e)			RCF, Nursing Home & Hosp. ICF / SNF Beds				
\$197.305(10)(f)				Any New Service in Health Care Facilities			
\$197.305(10)(g)			RCF, Nursing Home & Hosp. ICF / SNF Beds				
Rules ref'd. in 19 CSR 60-50.400 (4)(F)	6, 9	4	5, 6, 8, 9	1, 2	3	7	

MO 580-2157 (09-99)

*

Capital expenditures including new construction costs, renovation costs, architectural/engineering fees, fixed equipment, movable equipment, land acquisition costs, consultants' legal fees, interest during construction and other capitalizable costs.



Certificate of Need Program

Exemptions and Exceptions Applicability Test

(to be completed by the CONP staff)

CON Finding	
Project Number	
q File Application / Fee	
q Review Process Complete	

STATUTORY REFERENCES	501(c)(3) Org.	Religious Org.	Public Funds	Number of Beds	Type of Beds	Location	COMMENTS
Exemptions:							
§197.305(7)	operated	operated	purchase operations	£100	RCF I or II		
§197.312 (beg.)					RCF I or II	prev. owned/ operated, City of St. Louis	
§197.314(1)				60	RCF I or II, ICF, or SNF	TIF district with a SNF	
§197.314(2)	owned/ operated	owned / operated		up to 20	SNF	Either of 2 SNFs within a CGRC	
Exceptions:							
§197.305.10(e)				10% up to 10 Beds additional	Hospital		
§197.305.10(g)				10% up to 10 Beds reallocation*	Hospital		

MO 580-2158 (09-99)

*Beds may be increased by whole numbers only (parts of beds are disregarded so as not to exceed 10% of licensed bed capacity or 10 beds, whichever is less); such bed increases may only be done once during a two-year period, and must remain within the same licensure category.



LTC Facility Expansion CERTIFICATION

by the Division of Aging, Department of Social Services

Part I: Facility Information

Name of Facility: _____

Address (no PO Box): _____

City, State, Zip, County: _____

Number and Type of Beds: ____ RCF ICF/SNF (circle RCF for residential care facility or ICF/SNF for intermediate care and skilled nursing facility)

Owner(s): _____

Operator(s): _____

Project Number: _____ Date LOI Filed: _____

Part II: Quarterly RCF/ICF/SNF Bed Occupancy Rate

Occupancy statistics for this facility for the most recent six consecutive calendar quarters prior to the LOI date shown above:

(circle appropriate quarter, insert the Calendar Year (CY), and complete information below)

Qtr 1 2 3 4 CY____: ____% Qtr 1 2 3 4 CY____: ____% Qtr 1 2 3 4 CY____: ____%

Qtr 1 2 3 4 CY____: ____% Qtr 1 2 3 4 CY____: ____% Qtr 1 2 3 4 CY____: ____%

Six-quarter average: ____%

☐ Yes ☐ No For expansion through the **purchase** of beds, based on the Division of Aging's Quarterly Survey Data, the 90% bed occupancy requirement has been met.

☐ Yes ☐ No For expansion through the **addition** of beds, based on the Division of Aging's Quarterly Survey Data, the 92% bed occupancy requirement has been met for under 40 LTC beds, or 93% for 40 bed or more LTC beds (see above).

Part III: Deficiencies

☐ Yes ☐ No For expansion through the **purchase** or **addition** of beds, based on the Division of Aging's annual facility survey, the above-named facility has not had any final Class I patient care deficiencies during the past 18 months.

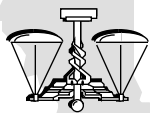
Part IV: Certification of Information

Statement: The above information is an accurate representation of the findings by the Division of Aging in accordance with appropriate CON rules.

Signature: _____

Title / Date: _____

PURCHASE AGREEMENT



Part I: Purchasing Facility Information

Name of Facility: _____

Address (no PO Box): _____

City, State, Zip, County: _____

Number/Type Licensed Beds: _____

RCF ICF/SNF _____

(circle RCF for residential care facility or ICF/SNF for intermediate care and skilled nursing facility)

Owner(s): _____

Operator(s): _____

Part II: Selling Facility Information

Name of Facility: _____

Address (no PO Box): _____

City, State, Zip, County: _____

Number/Type Licensed Beds: _____

RCF ICF/SNF _____

(circle RCF for residential care facility or ICF/SNF for intermediate care and skilled nursing facility)

Owner(s): _____

Operator(s): _____

Part III: Value of Consideration

Monetary Value of Purchase: \$ _____ No./Type Beds: _____

Terms of Purchase: _____

(add more pages as necessary to describe the sale)

Part IV: Certification of Information

☐ Yes ☐ No The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: _____

Title/Date: _____

Seller(s) Signature(s): _____

Owner(s): _____

Operator(s): _____

Title/Date: _____

CON Applicant's Completeness Check List and Table of Contents

Project Name _____ Project No. _____ Project Amount _____

Project Description _____

done page n/a Description of CON Rulebook Contents

Divider I. Application Summary:

- ** ☐ ☐ Copy of the Letter of Intent (Form MO 580-1860)
- ** ☐ ☐ Applicant Identification (Form MO 580-1861)
- ** ☐ ☐ Representative Registration (Form MO 580-1869)
- ** ☐ ☐ Application Abstract & Certification (Form MO 580-1862)
- ** ☐ ☐ Proposed Project Budget (Form MO 580-1865)

Divider II. Proposal Description:

- ** ☐ ☐ Complete detailed description
- ** ☐ ☐ Institutional services or programs affected
- Legal aspects and management arrangement:**
 - ** ☐ ☐ Current state or local facility license, or Certificate of Corporate Good Standing to document ability to do business in Missouri
 - ☐ ☐ Current or proposed operating lease
 - ☐ ☐ Signed copy of the management contract
 - ** ☐ ☐ Diagram and identify corporate organization
- Developmental details:**
 - ☐ ☐ Legible city and county map
 - ** ☐ ☐ Preliminary schematics (before and after)
 - ☐ ☐ Evidence of submission of architectural plans to DA engineer or DOH architect
 - ** ☐ ☐ Existing and proposed gross square footage
 - ** ☐ ☐ Document ownership of the project site, or provide signed option to purchase or lease
 - ☐ ☐ Document topographical suitability for the project
 - ☐ ☐ Zoning requirements can be met
 - ☐ ☐ Itemized list of major and other medical equipment including costs and vendor quotes
- Define the community to be served:**
 - ☐ ☐ Year 2000 population projections
 - ☐ ☐ Staff-verified population and other statistics
 - ☐ ☐ Other statistics for "alternate service area"

done page n/a Description of CON Rulebook Contents

Other community need justifications:

- ☐ ☐ Specific community problems or unmet needs
- ☐ ☐ Historical three-year utilization
- ☐ ☐ Projected three-year utilization
- ☐ ☐ Alternative methodology description
- ☐ ☐ Current/future number of beds by medical specialty
- ☐ ☐ Other providers within a fifteen (15)-mile radius
- ** ☐ ☐ Evidence of notification

Divider III. Service-Specific Criteria and Standards:

New and additional units/population standard:

- ☐ ☐ Unmet Need = (S x P) - U

Hospital and freestanding health services proposed:

- ☐ ☐ Magnetic resonance imaging unit
- ☐ ☐ Positron emission tomography unit
- ☐ ☐ Lithotripsy unit
- ☐ ☐ Radiation therapy unit
- ☐ ☐ Adult or pediatric cardiac catheterization lab
- ☐ ☐ Adult or pediatric open heart surgery rooms
- ☐ ☐ All other operating rooms
- ☐ ☐ Gamma knife
- ☐ ☐ Hemodialysis
- ☐ ☐ Excimer laser
- ☐ ☐ Medical/surgical bed
- ☐ ☐ Pediatric bed
- ☐ ☐ Psychiatric bed
- ☐ ☐ Substance abuse/chemical dependency bed
- ☐ ☐ Inpatient rehabilitation bed
- ☐ ☐ Obstetric bed

New units or services utilization standard:

- ☐ ☐ Same services as listed above
- ☐ ☐ Radiation therapy services
- ☐ ☐ Hemodialysis services

done	page	n/a	Description of CON Rulebook Contents	done	page	n/a	Description of CON Rulebook Contents
☐	___	☐	Alternate service area and alternate methodologies:	☐	___	☐	New hosp./nrsng. h.m. RS Means Constr. Cost Data
☐	___	☐	Substitute values for population-based need formula	☐	___	☐	Construction/renovation costs per sq. ft. for facilities other than hospitals
☐	___	☐	Add'l units or services optimal utilization standard:	☐	___	☐	Major and other medical equipment bid quotes, purchase orders, or catalog prices
☐	___	☐	Same services as listed above	☐	___	☐	Document financing available:
☐	___	☐	Additional MRI/PET units or services:	☐	___	☐	Total amount and interest rate of any loan or bond issue
☐	___	☐	Sub-optimal utilization	☐	___	☐	Letter of willingness to finance
☐	___	☐	List of questions for justification	☐	___	☐	Date the funds available
☐	___	☐	Replacement units or services:	☐	___	☐	Debt service schedule
☐	___	☐	List of questions for facilities and equipment	☐	___	☐	Special provisions
☐	___	☐	List of questions for beds (not in a long term facility)	☐	___	☐	Copy of proposed lease
☐	___	☐	Long-term care:	☐	___	☐	Document fund-raising reliability/availability
☐	___	☐	Exception if occupancy exceeds 90%	☐	___	☐	Credit worthiness of related organizations
☐	___	☐	Population-based bed need methodology	☐	___	☐	Detail selection /cost-effectiveness of finance plan
☐	___	☐	Exception if replacement	☐	___	☐	Document financial feasibility:
☐	___	☐	Exception if expansion	☐	___	☐	Institution's Income Statement (Form MO 580-1864)
☐	___	☐	LTC Facility Expansion Certificate (Form MO 580-2551)	☐	___	☐	Specific Revenues and Expenses (Form MO 580-1865)
☐	___	☐	Purchase Agreement (Form MO 580-2552)	☐	___	☐	Detailed Institutional Cash Flow (Form MO 580-1866)
☐	___	☐	Exception if exclusively AIDS	☐	___	☐	Methods and assumptions used for projections
☐	___	☐	Exception if 95% residents require kosher diets	☐	___	☐	Audited financial statements or IRS 990 form
☐	___	☐	Other health services:	☐	___	☐	Reimbrsmt. Sources for Latest Year (Form MO 580-1867)
☐	___	☐	Local, state or federal code requirements	☐	___	☐	Depreciation Schedule (Form MO 580-1868)
☐	___	☐	Licensure, certification or accreditation requirements	☐	___	☐	Affordable to the population:
☐	___	☐	Operational efficiencies	☐	___	☐	Impact on current patient charges
☐	___	☐	Methodologies used for determining need	☐	___	☐	Proposed compared to current patient charges
☐	___	☐	Rationale for reallocation of space and functions	☐	___	☐	Adequate reimbursement structures
☐	___	☐	Emerging technology:	☐	___	☐	Responsive to medically indigent
☐	___	☐	Description of medical effects	☐	___	☐	Show net benefit to specific geographic service area
☐	___	☐	Objectives of technology	☐	___	☐	
☐	___	☐	Side effects, contraindications, environ. exposures	☐	___	☐	
☐	___	☐	Relationships to prev., diag., therap., mgmt. svcs.	☐	___	☐	
☐	___	☐	FDA approval	☐	___	☐	
Divider IV. Financial Feasibility:				Divider V. Alternatives:			
Proposed Project Budget (Form MO 580-1863):				☐ ___ ☐ Alternatives considered and cost estimate for each			
☐	___	☐	Detail how each line item was determined including methods & assumptions, total costs /bed & /sq. ft.	☐	___	☐	Processes followed in reviewing and selecting proposal
				☐	___	☐	Demonstrate cost-effectiveness of proposal

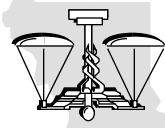


Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for **each** project represented)

Project Name		Number		
(Please type or print legibly)				
Name of Representative		Title		
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other)		Telephone Number		
Address (Street/City/State/Zip Code)				
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)				
Name of Individual/Agency/Corporation/Organization being Represented		Telephone Number		
Address (Street/City/State/Zip Code)				
<table><tr><td>Check one. Do you: ☐ Support ☐ Oppose ☐ Neither Other information: _____ _____</td><td>Relationship to Project: ☐ None ☐ Employee ☐ Legal Counsel ☐ Consultant ☐ Lobbyist ☐ Other (explain): _____ _____</td></tr></table>			Check one. Do you: ☐ Support ☐ Oppose ☐ Neither Other information: _____ _____	Relationship to Project: ☐ None ☐ Employee ☐ Legal Counsel ☐ Consultant ☐ Lobbyist ☐ Other (explain): _____ _____
Check one. Do you: ☐ Support ☐ Oppose ☐ Neither Other information: _____ _____	Relationship to Project: ☐ None ☐ Employee ☐ Legal Counsel ☐ Consultant ☐ Lobbyist ☐ Other (explain): _____ _____			
I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.</i>				
Original Signature		Date		



Certificate of Need Program

APPLICATION ABSTRACT AND CERTIFICATION

Project Name	
Address (Street/City/State/Zip Code)	
Project Cost and Description:	
Review Questions: (Not required for applications pursuant to §197.318.8 through 197.318.10.)	
What is the community need for the proposed service(s)?	
What is the immediate and long term financial feasibility of the proposal?	

What is the availability of less costly and more effective alternatives of providing the proposed service(s)?

Certification:

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the facility or proposed service in this application;
- (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar facilities or services within a fifteen (15)-mile radius;
- (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its administrative policies and adopted rules;
- (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
- (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
- (F) A CON, if issued, may not be transferred, relocated or modified except with the consent of the Committee.

We certify the information and data in this application as accurate to the best of our knowledge and belief by our representative's signature below:

Applicant's Authorized Designee (*Print or Type*)

Signature*

Title

Telephone Number

Date

State of _____)
County of _____)

Comes now _____ who, first being sworn, verifies that this certification constitutes a full and complete disclosure of the description of this project.

Subscribed and sworn before me, a Notary Public, on this _____ day of _____, 20____.

(seal)

(Signature of Notary Public)

My commission expires _____

**Original signature is required on this form (in blue ink).*



Certificate of Need Program

PROPOSED PROJECT BUDGET

Description

Dollars

(fill in every line even if the amount is "0")

COSTS:*

1. New Construction Costs *** \$ _____
2. Renovation Costs *** _____
3. **Subtotal Construction Costs** (#1 plus #2) _____
4. Architectural/Engineering Fees*** _____
5. Other Equipment (not in construction contract) _____
6. Major Medical Equipment _____
7. Land Acquisition Costs*** _____
8. Consultants' Fees/Legal Fees*** _____
9. Interest During Construction (net of interest earned) *** _____
10. Other Costs**** _____
11. **Subtotal Non-construction Costs** (sum of #4 thru #10) _____
12. **Total Project Development Costs** (#3 plus #11) \$ _____ **

FINANCING:

13. Unrestricted Hospital Funds for Project _____
14. Funds Provided Through Fund Raising Activities _____
15. Short Term Loans (less than 5 years) _____
16. Long Term Loans _____
17. Bonds _____
18. Leases _____
19. Other Methods (specify) _____
20. **Total Project Financing** (sum of #13 thru #19) \$ _____ **

- | | |
|--|----------|
| 21. New Construction Total Square Footage | _____ |
| 22. New Construction Costs Per Square Foot ***** | \$ _____ |
| 23. Renovated Space Total Square Footage | _____ |
| 24. Renovated Costs Per Square Foot ***** | \$ _____ |

*Attach additional page(s) to provide details of how each line item was determined, including all methods and assumptions used.

**These amounts should be the same.

***Capitalizable items to be recognized as capital expenditures after project completion.

****Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care or a tractor trailer used for a mobile unit, determined by original cost, current book value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

*****Divide new construction costs by total new construction square footage.

*****Divide renovation costs by total renovation square footage.



Certificate of Need Program

INSTITUTION'S INCOME STATEMENT

Historical Financial Data for Latest Three Years plus Projections Through Three Years Beyond Project Completion

(Use a sufficient number of copies of this form to cover entire period, and fill in the years in the appropriate blanks.)

Year

Revenue:

Gross Patient Charges

Inpatient

Outpatient

Total

Less Deductions

Charity Care

Third Party Loss

Total Deductions

Net Patient Service Revenue

Other Operating Revenues

Total Operating Revenues

Operating Expenses:

Labor Costs

Supplies and Other

Professional Fees

Depreciation and Amortization

Interest

Bad Debts

Total Expenses

Income From Operations

Non-operating Gains:

Investment Income

Donations

Gain (Loss) on Disposition of Assets

Other

Net Non-operating Gains

Revenue (Loss) Before Extraordinary Item(s)

Extraordinary Gain (Loss)

**Excess (Shortage) of
Revenue Over Expenses**



Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES

Historical Financial Data for Latest Three Years plus Projections Through Three Years Beyond Project Completion

(Use an individual form for each affected service with a
sufficient number of copies of this form to cover entire period,
and fill in the years in the appropriate blanks.)

Year

Amount of Utilization:*

Revenue:

Average Charge**

Gross Revenue

Revenue Deductions

Operating Revenue

Other Revenue

TOTAL REVENUE

Expenses:

Direct Expense

Salaries

Fees

Supplies

Other

TOTAL DIRECT

Indirect Expense

Depreciation

Interest***

Overhead****

TOTAL INDIRECT

TOTAL EXPENSE

NET INCOME (LOSS):

* Utilization will be measured in "patient days" in nursing home or hospital beds, "procedures" for equipment, or other appropriate units of measure specific to the service affected.

** Indicate how the average charge/procedure was calculated.

***Only on long term debt, not construction.

**** Indicate how overhead was calculated.

**DETAILED INSTITUTIONAL CASH FLOWS****Historical Financial Data for Latest Three Years plus
Projections Through Three Years Beyond Project Completion**

(Use a sufficient number of copies of this form to cover entire period,
and fill in the years in the appropriate blanks.)

Year**Net Cash Flows from Operating Activities
and Nonoperating Gains and Losses:**

Net Income

Depreciation and Amortization

Provision for Bad Debts

Net Change in Assets and Liabilities

Other (specify)

**Net Cash Provided by Operating
Activities and Nonoperating Gains****Cash Flows from Investing Activities:**

Purchases of Property and Equipment

Proceeds from Disposition of Property

Proceeds from Disposition of Equipment

Increase in Assets Whose Use is Limited

Decrease (Increase) in Investments

Decrease (Increase) in Notes Receivable

Other (specify)

Net Cash Used in Investing Activities**Cash Flows from Financing Activities:**

Issuance of Long-term Debt

Defeasance of Long-term Debt

Payments on Long-term Debt

Payments on Capital Leases

Fund Balance Transfers

Other (specify)

Net Cash Used in Financing Activities

Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents, Beginning of Year

CASH AND CASH EQUIVALENTS, END OF YEAR

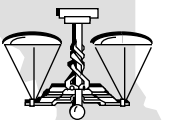
* Includes Health Maintenance Organizations and Preferred Provider Organizations.
** Do not include bad debts, discounts or other non-collectables on this line.

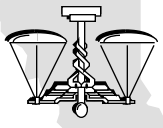
Medicare	_____	_____	_____	(-) _____	(=) _____
Medicaid	_____	_____	_____	(-) _____	(=) _____
Blue Cross	_____	_____	_____	(-) _____	(=) _____
Private Insurance	_____	_____	_____	(-) _____	(=) _____
Managed Care*	_____	_____	_____	(-) _____	(=) _____
Charity**	_____	_____	_____	(-) _____	(=) _____
Self-Pay	_____	_____	_____	(-) _____	(=) _____
Other	_____	_____	_____	(-) _____	(=) _____

Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Charges
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REIMBURSEMENT SOURCES FOR LATEST YEAR

Certificate of Need Program





Certificate of Need Program

DEPRECIATION SCHEDULE

For All Items Acquired Through Proposed Project

General Identifier	Year It Will Enter Service	Useful Life	Cost	Yearly Depreciation
--------------------	----------------------------	-------------	------	---------------------



Certificate of Need Program

CONTACT PERSON CORRECTION

Date

Is the "Contact Person" information below correct? ☐ Yes ☐ No (*correct below*)

Project Name

Project Number

Contact Person (*Name/Title/Association*)

Telephone Number

Address (*Street/City/State/Zip Code*)

INSTRUCTIONS TO THE APPLICANT:

- According to recent information in the Certificate of Need records, the individual listed above is the "Contact Person" for this project who will be the primary representative responsible for all monitoring and reporting related to this project.
- If this information is correct, check "Yes" in the box above.
- If this information IS NOT correct, check "No" in the box above, and enter the correct information in the appropriate spaces provided below.
- **In either case, the applicant must sign at the bottom of this form to certify that this response is true and accurate as of the date posted above.**

Please type or print legibly corrected "Contact Person" information below:

Contact Person (*Name/Title*)

Telephone Number

Address (*Association/Street/City/State/Zip Code*)

Applicant (*Print or Type Name*)

Applicant (*Signature*)

Date

Comments or Additional Information:



PERIODIC PROGRESS REPORT

Instructions for Completion (see attached blank forms)

- Purpose:** To gather uniform data regarding the progress and compliance of approved Certificate of Need (CON) projects in accordance with §197.300 to §197.366 RSMo; and to provide data to develop, implement and manage a database for project tracking, monitoring, notification and follow-up.
- Used by:** Missouri Health Facilities Review Committee, CON Program Staff, and Project Contact Person.
- General:** Periodic Progress Reports (PPRs) must provide all requested data and information in a complete, concise and legible manner. Each PPR must indicate if it is an Intermediate or Final Report. PPRs which are incomplete, illegible and/or contain mathematical discrepancies may be returned to the Contact Person for appropriate corrective action.
- Project ID:** Any changes in this information must be brought to the attention of the CON Program Staff immediately upon occurrence.
- Add'l. Info.:** *Additional information MUST be attached to **substantiate** answers to the individual questions. All final PPRs must include documentation which substantiates all claims and expenditures.*

Individual Questions:

- 1. Have capital expenditures been incurred for the proposed construction and/or medical equipment?** A capital expenditure shall be deemed to have occurred if the applicant has at least one or more of the following:

- **Construction expenditures** assignable to a capital asset in accordance with generally accepted accounting principles and which are not chargeable to pre-development or operating costs, which may be documented by a signed AIA construction contract with starting and ending dates; and above-ground construction;
- **Purchase Orders (POs)** which are signed and which include the date of purchase, delivery, installation and operational date; or
- **Acquisition** of medical equipment or property by lease, transfer, or purchase which has been authorized by the applicant and includes the date of the lease, the annual cost, cost and date of buy-out; purchase date, delivery installation and operational dates; and transfer date, current value, installation and operational date.

If the answer to this question is "Yes," then attach copies of the appropriate signed construction contract (include pictures of construction activity), purchase order, or lease agreement (with original signatures).

If capital expenditure or expenditure for medical equipment has not been incurred, provide a detailed explanation and include the steps being taken to correct the situation within the time constraints of §197.315.9 RSMo. Indicate the nature, costs and the date that a capital expenditure will be incurred.

- 2. Are the expenditures for this reporting period/project-to-date included?**

List all project expenditures, by category, incurred during the reported period and project-to-date on the **Project Budget/Expenditures** form, **which must be notarized**.

- 3. Are the projected final costs within the limits approved?** *(Self-explanatory)*

Using current costs and expenditures, extrapolate final project costs to the project completion date. If total costs will exceed those approved by the Committee by more than 10%, specify and explain the area and category involved. Also, indicate the estimated filing date for your cost-overrun application.

- 4. Are there changes in the services or programs approved?** *(Explain any changes)*

- 5. Has the project contact person changed?** If "Yes," enclose a new CON Contact Person Correction Form.

- 6. Construction or installation is _____ % complete.**

*(If the project expenditures and construction are both 100% complete, provide a **final** project budget and expenditure report.)*



Certificate of Need Program

PERIODIC PROGRESS REPORT

Type of Progress Report:

☐ Intermediate

☐ Final

All applicants granted a Certificate of Need (CON) by the Missouri Health Facilities Review Committee are required to submit periodic progress reports until such time as the project is complete (§197.315 (8) RSMo). These reports **must** be filed with the CON Program staff after the end of **each six (6) month reporting period** following the issuance of a CON.

Name of Project	Report Period
	Project Number
Address	Date CON Issued
	Approved Cost
Project Description	Contact Person
	Telephone

☐ Yes **1. Capital expenditures have been incurred for construction and/or medical equipment.**
☐ No

_____ Date construction started or equipment purchased. Provide copy of AIA contract and/or purchase order.

☐ Yes ***2. Expenditures for this reporting period and project-to-date are included.**
☐ No

_____ % of the total approved project amount that has been expended to date.

☐ Yes **3. There are changes in the final costs of the project.**
☐ No *If "Yes," explain in detail and provide replacement pages for the approved application.*

\$ _____ Estimated final project cost

☐ Yes **4. There any changes in the services or programs approved scope of the project.**
☐ No *If "Yes" explain in detail and provide replacement pages for the approved application.*

☐ Yes **5. The project contact person changed.**
☐ No *If "Yes," enclose a new Contact Person Correction Form (MO 580-1870).*

***6. _____ % of the construction or installation is complete.**
_____ % of the installation is complete.

If Items 2 and 6 are both 100% complete, signify this as the **Final Report and submit documentation of final costs.*

Description of progress to date. Clearly explain expenditures, delays, changes in project progress, or lack of progress, of the approved project (use additional pages as needed):



Certificate of Need Program

PERIODIC PROGRESS REPORT

Project Budget /Expenditures	Report Period: _____ to _____		
Description	Application	This Period	Project-to-date
1. General Construction Costs			
2. Site Work			
3. Subtotal Construction Costs			
4. Architectural/Engineering Fees			
5. Fixed Equipment			
6. Movable Equipment			
7. Land Acquisition			
8. Consultants' Fees/Legal Fees			
9. Interest During Construction			
10. Other Costs			
11. Subtotal Non-construction Costs			
12. TOTAL Project Development Costs			
Square footage: New Construction			
Renovated Space			
Total Project			
Costs per square foot: New Construction			
Renovated Space			

State of _____)
 County of _____)

Comes now _____ who, first being sworn, verifies that the foregoing expenditures constitute a full and complete accounting of the expenditures for this project.

 (Authorized Contact Person Signature)**

Subscribed and sworn before me, a Notary Public, on this _____ day of _____, 20 ____.

(Seal)

 (Signature of Notary Public)

My commission expires _____

Certificate of Need Statute

197.300. Citation of law.— Sections 197.300 to 197.366 shall be known as the “Missouri Certificate of Need Law”.

(L. 1979 H.B. 222 § 1, A.L. 1996 H.B. 1362)
Effective 7-12-96

197.305. Definitions.— As used in sections 197.300 to 197.366, the following terms mean:

(1) **“Affected persons”**, the person proposing the development of a new institutional health service, the public to be served, and health care facilities within the service area in which the proposed new health care service is to be developed;

(2) **“Agency”**, the certificate of need program of the Missouri department of health;

(3) **“Capital expenditure”**, an expenditure by or on behalf of a health care facility which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance;

(4) **“Certificate of need”**, a written certificate issued by the committee setting forth the committee’s affirmative finding that a proposed project sufficiently satisfies the criteria prescribed for such projects by sections 197.300 to 197.366;

(5) **“Develop”**, to undertake those activities which on their completion will result in the offering of a new institutional health service or the incurring of a financial obligation in relation to the offering of such a service;

(6) **“Expenditure minimum”** shall mean:

(a) For beds in existing or proposed health care facilities licensed pursuant to chapter 198, RSMo, and long-term care beds in a hospital as described in subdivision (3) of subsection 1 of section 198.012, RSMo, six hundred thousand dollars in the case of capital expenditures, or four hundred thousand dollars in the case of major medical equipment, provided, however, that prior to January 1, 2003, the expenditure minimum for beds in such a facility and long-term care beds in a hospital described in section 198.012, RSMo, shall be zero, subject to the provisions of subsection 7 of section 197.318;

(b) For beds or equipment in a long-term care hospital meeting the requirements described in 42 C.F.R., section 412.23(e), the expenditure minimum shall be zero; and

(c) For health care facilities, new institutional health services or beds not described in paragraph (a) or (b) of this subdivision one million dollars in the case of capital expenditures, excluding major medical equipment, and one million dollars in the case of medical equipment;

(7) **“Health care facilities”**, hospitals, health maintenance organizations, tuberculosis hospitals, psychiatric hospitals, intermediate care facilities, skilled nursing facilities, residential care facilities I and II, kidney disease treatment centers, including free standing hemodialysis units, diagnostic imaging centers, radiation therapy centers and ambulatory surgical facilities, but excluding the private offices of physicians, dentists and other practitioners of the healing arts, and Christian Science sanatoriums, also known as Christian Science Nursing facilities listed and certified by the Commission for Accreditation of Christian Science Nursing Organization / Facilities, Inc., and facilities of not for profit corporations in existence on October 1, 1980, subject either to the provisions and regulations of section 302 of the Labor-Management Relations Act, 29 U.S.C. 186 or the Labor-Management Reporting and Disclosure Act, 29 U.S.C. 401-538, and any residential care facility I or residential care facility II operated by a religious organization qualified pursuant to section 501(c)(3) of the federal Internal Revenue Code, as amended, which does not require the expenditure of public funds for purchase or operation, with a total licensed bed capacity of one hundred beds or fewer;

(8) **“Health service area”**, a geographic region appropriate for the effective planning and development of health services, determined on the basis of factors including population and the availability of resources, consisting of a population of not less than five hundred thousand or more than three million;

(9) **“Major medical equipment”**, medical equipment used for the provision of medical and other health services;

(10) **“New institutional health service”**:

(a) The development of a new health care facility costing in excess of the applicable expenditure minimum;

(b) The acquisition, including acquisition by lease, of any health care facility, or major medical equipment costing in excess of the expenditure minimum;

(c) Any capital expenditure by or on behalf of a health care facility in excess of the expenditure minimum;

(d) Predevelopment activities as defined in subdivision (13) hereof costing in excess of one hundred fifty thousand dollars;

(e) Any change in licensed bed capacity of a health care facility which increases the total number of beds by more than ten or more than ten percent of total bed capacity, whichever is less, over a two-year period;

(f) Health services, excluding home health services, which are offered in a health care facility and which were not offered on a regular basis in such health care facility within the twelve-month period prior to the time such services would be offered;

(g) A reallocation by an existing health care facility of licensed beds among major types of service or reallocation of licensed beds from one physical facility or site to another by more than ten beds or more than ten percent of total licensed bed capacity, whichever is less, over a two-year period;

(11) **“Nonsubstantive projects”**, projects which do not involve the addition, replacement, modernization or conversion of beds or the provision of a new health service but which include a capital expenditure which exceeds the expenditure minimum and are due to an act of God or a normal consequence of maintaining health care services, facility or equipment;

(12) **“Person”**, any individual, trust, estate, partnership, corporation, including associations and joint stock companies, state or political subdivision or instrumentality thereof, including a municipal corporation;

(13) **“Predevelopment activities”**, expenditures for architectural designs, plans, working drawings and specifications, and any arrangement or commitment made for financing; but excluding submission of an application for a certificate of need.

(L. 1979 H.B. 222 § 2, A.L. 1982 S.B. 481, A.L. 1983 H.B. 825, A.L. 1994 H.B. 1408, A.L. 1996 H.B. 905 and H.B. 1362, A.L. 1997 S.B. 373, A.L. 1998 S.B. 963, A.L. 1999 S.B. 326)
Effective 7-1-99

CROSS REFERENCE:

Health care facilities, definition, effective after December 31, 2001, RSMo 197.366

(1995) Acquisition cost for major medical equipment for purposes of minimum expenditure necessary to subject expenditure to certificate of need law, refers to cost to hospital and not original

purchase price. Cost of land and construction costs for building were attributable to separate commercial enterprise and not made by, or on behalf of, health care facility where hospital leased space for outpatient radiation therapy services. SSM Health Care v. Missouri Health Facilities Review Committee, 894 S.W.2d 674 (Mo. en banc).

197.310. Review committee, members, terms, compensation, duties.—

1. The “Missouri Health Facilities Review Committee” is hereby established. The agency shall provide clerical and administrative support to the committee. The committee may employ additional staff as it deems necessary.

2. The committee shall be composed of:

(1) Two members of the senate appointed by the president pro tem, who shall be from different political parties; and

(2) Two members of the house of representatives appointed by the speaker, who shall be from different political parties; and

(3) Five members appointed by the governor with the advice and consent of the senate, not more than three of whom shall be from the same political party.

3. No business of this committee shall be performed without a majority of the full body.

4. The members shall be appointed as soon as possible after September 28, 1979. One of the senate members, one of the house members and three of the members appointed by the governor shall serve until January 1, 1981, and the remaining members shall serve until January 1, 1982. All subsequent members shall be appointed in the manner provided in subsection 2 of this section and shall serve terms of two years.

5. The committee shall elect a chairman at its first meeting which shall be called by the governor. The committee shall meet upon the call of the chairman or the governor.

6. The committee shall review and approve or disapprove all applications for a certificate of need made under sections 197.300 to 197.366. It shall issue reasonable rules and regulations governing the submission, review and disposition of applications.

7. Members of the committee shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties.

8. Notwithstanding the provisions of subsection 4 of section 610.025*, RSMo, the proceedings and records of the facilities review committee shall be subject to the provisions of

chapter 610, RSMo.

(L. 1979 H.B. 222 § 3, A.L. 1999 S.B. 326)

Effective 7-1-99

*Section 610.025 was repealed by S.B. 2, 1987.

197.311. Political contributions to committee members by applicants prohibited.

— No member of the Missouri health facilities review committee may accept a political donation from any applicant for a license.

(L. 1994 H.B. 1408 § 1) Effective 6-3-94

197.312. Certificate of need not required for St. Louis residential care facilities I and II—certain other facilities, certificate not required.

A certificate of need shall not be required for any institution previously owned and operated for or in behalf of a city not within a county which chooses to be licensed as a facility defined under subdivision (15) or (16) of section 198.006, RSMo, for a facility of ninety beds or less that is owned or operated by a not for profit corporation which is exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, which is controlled directly by a religious organization and which has received approval by the division of aging of plans for construction of such facility by August 1, 1995, and is licensed by the division of aging by July 1, 1996, as a facility defined under subdivision (15) or (16) of section 198.006, RSMo, or for a facility, serving exclusively mentally ill, homeless persons, of sixteen beds or less that is owned or operated by a not for profit corporation which is exempt from federal income tax which is described in section 501(c)(3) of the Internal Revenue Code of 1986, which is controlled directly by a religious organization and which has received approval by the division of aging of plans for construction of such facility by May 1, 1996, and is licensed by the division of aging by July 1, 1996, as a facility defined under subdivisions (15) or (16) of section 198.006, RSMo, or a residential care facility II located in a city not within a county operated by a not for profit corporation which is exempt from federal income tax which is described in section 501(c)(3) of the Internal Revenue Code of 1986, which is controlled directly by a religious organization and which is licensed for one hundred beds or less on or before August 28, 1997.

(L. 1995 S.B. 108 § 1 subsec. 5, A.L. 1996 H.B. 1362)

Effective 7-12-96

197.313.—(Repealed L. 1999 S.B. 326 § A)

Effective 7-1-99

197.314. Inapplicability of sections to dementia care units in certain counties (including Jackson County) and to certain not

for profit corporations.—

1. The provisions of 197.300 to 197.366 shall not apply to any sixty-bed stand-alone facility designed and operated exclusively for the care of residents with Alzheimer's disease or dementia and located in a tax increment financing district established prior to 1990 within any county of the first classification with a charter form of government containing a city with a population of over three hundred fifty thousand and which district also has within its boundaries a skilled nursing facility.

2. The provisions of sections 197.300 to 197.366 shall not apply, as hereinafter stated, to a skilled nursing facility that is owned or operated by a not for profit corporation which was created by a special act of the Missouri general assembly, is exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, is owned by a religious organization and is to be operated as part of a continuing care retirement community offering independent living, residential care and skilled care. This exemption shall authorize no more than twenty additional skilled nursing beds at each of two facilities which do not have any skilled nursing beds as of January 1, 1999.

(L. 1999 S.B. 326 §§ 12, 13)

197.315. Certificate of need granted, when—forfeiture, grounds—application for certificate, fee—certificate not required, when.—

1. Any person who proposes to develop or offer a new institutional health service within the state must obtain a certificate of need from the committee prior to the time such services are offered.

2. Only those new institutional health services which are found by the committee to be needed shall be granted a certificate of need. Only those new institutional health services which are granted certificates of need shall be offered or developed within the state. No expenditures for new institutional health services in excess of the applicable expenditure minimum shall be made by any person unless a certificate of need has been granted.

3. After October 1, 1980, no state agency charged by statute to license or certify health care facilities shall issue a license to or certify any such facility, or distinct part of such facility, that is developed without obtaining a certificate of need.

4. If any person proposes to develop any new institutional health care service without a

certificate of need as required by sections 197.300 to 197.366, the committee shall notify the attorney general, and he shall apply for an injunction or other appropriate legal action in any court of this state against that person.

5. After October 1, 1980, no agency of state government may appropriate or grant funds to or make payment of any funds to any person or health care facility which has not first obtained every certificate of need required pursuant to sections 197.300 to 197.366.

6. A certificate of need shall be issued only for the premises and persons named in the application and is not transferable except by consent of the committee.

7. Project cost increases, due to changes in the project application as approved or due to project change orders, exceeding the initial estimate by more than ten percent shall not be incurred without consent of the committee.

8. Periodic reports to the committee shall be required of any applicant who has been granted a certificate of need until the project has been completed. The committee may order the forfeiture of the certificate of need upon failure of the applicant to file any such report.

9. A certificate of need shall be subject to forfeiture for failure to incur a capital expenditure on any approved project within six months after the date of the order. The applicant may request an extension from the committee of not more than six additional months based upon substantial expenditure made.

10. Each application for a certificate of need must be accompanied by an application fee. The time of filing commences with the receipt of the application and the application fee. The application fee is one thousand dollars, or one-tenth of one percent of the total cost of the proposed project, whichever is greater. All application fees shall be deposited in the state treasury. Because of the loss of federal funds, the general assembly will appropriate funds to the Missouri health facilities review committee.

11. In determining whether a certificate of need should be granted, no consideration shall be given to the facilities or equipment of any other health care facility located more than a fifteen-mile radius from the applying facility.

12. When a nursing facility shifts from a skilled to an* intermediate level of nursing care, it may return to the higher level of care if it meets the licensure requirements, without

obtaining a certificate of need.

13. In no event shall a certificate of need be denied because the applicant refuses to provide abortion services or information.

14. A certificate of need shall not be required for the transfer of ownership of an existing and operational health facility in its entirety.

15. A certificate of need may be granted to a facility for an expansion, an addition of services, a new institutional service, or for a new hospital facility which provides for something less than that which was sought in the application.

16. The provisions of this section shall not apply to facilities operated by the state, and appropriation of funds to such facilities by the general assembly shall be deemed in compliance with this section, and such facilities shall be deemed to have received an appropriate certificate of need without payment of any fee or charge.

17. Notwithstanding other provisions of this section, a certificate of need may be issued after July 1, 1983, for an intermediate care facility operated exclusively for the mentally retarded.

18. To assure the safe, appropriate, and cost-effective transfer of new medical technology throughout the state, a certificate of need shall not be required for the purchase and operation of research equipment that is to be used in a clinical trial that has received written approval from a duly constituted institutional review board of an accredited school of medicine or osteopathy located in Missouri to establish its safety and efficacy and does not increase the bed complement of the institution in which the equipment is to be located. After the clinical trial has been completed, a certificate of need must be obtained for continued use in such facility.

(L. 1979 H.B. 222 § 4, A.L. 1982 S.B. 481, A.L. 1983 H.B. 825, A.L.

1987 S.B. 1, A. L. 1999 S.B. 326)

Effective 7-1-99

*Word "a" appears in original rolls.

197.316. Certificate of need not required for nursing homes treating only AIDS patients—violations, penalties.—

1. The provisions of subsection 10 of section 197.315 and sections 197.317 and 197.318 shall not apply to facilities which are licensed pursuant to the provisions of chapter 198, RSMo, which are designed and operated exclusively for the care and treatment of persons with acquired human immunodeficiency syndrome, AIDS.

2. If a facility is granted a certificate of need and is found to be exempt from the provisions of subsection 10 of section 197.315 and sections 197.317 and 197.318 pursuant to the provisions

of subsection 1 of this section, then only AIDS patients shall be residents of such facility and no others.

3. Any facility that violates the provisions of subsection 2 of this section shall be liable for a fine of one hundred dollars per resident per day for each such violation.

4. The attorney general shall, upon request of the department of health, bring an action in a circuit court of competent jurisdiction for violation of this section.

(L. 1995 S.B. 108 § 1 subsecs. 1 to 4, A.L. 1999 S.B. 326)
Effective 7-1-99

197.317. Certificate not to be issued for certain facilities—utilization of demographic data.—

1. After July 1, 1983, no certificate of need shall be issued for the following:

(1) Additional residential care facility I, residential care facility II, intermediate care facility or skilled nursing facility beds above the number then licensed by this state;

(2) Beds in a licensed hospital to be reallocated on a temporary or permanent basis to nursing care or beds in a long-term care hospital meeting the requirements described in 42 C.F.R., section 412.23(e), excepting those which are not subject to a certificate of need pursuant to paragraphs (e) and (g) of subdivision (10) of section 197.305; nor

(3) The reallocation of intermediate care facility or skilled nursing facility beds of existing licensed beds by transfer or sale of licensed beds between a hospital licensed pursuant to this chapter or a nursing care facility licensed pursuant to chapter 198, RSMo; except for beds in counties in which there is no existing nursing care facility. No certificate of need shall be issued for the reallocation of existing residential care facility I or II, or intermediate care facilities operated exclusively for the mentally retarded to intermediate care or skilled nursing facilities or beds. However, after January 1, 2003, nothing in this section shall prohibit the Missouri health facilities review committee from issuing a certificate of need for additional beds in existing health care facilities or for new beds in new health care facilities or for the reallocation of licensed beds, provided that no construction shall begin prior to January 1, 2004. The provisions of subsections 16 and 17 of section 197.315 shall apply to the provisions of this section.

2. The health facilities review committee shall utilize demographic data from the office of social and economic data analysis, or its successor

organization, at the University of Missouri as their source of information in considering applications for new institutional long-term care facilities.
(L. 1986 S.B. 553 & 775 § 5, A.L. 1987 S.B. 1, A.L. 1990 H.B. 1725, A.L. 1994 H.B. 1408, A.L. 1996 H.B. 1362, A.L. 1999 S.B. 326)
Effective 7-1-99

197.318. Certification ineligibility not to apply, when—department certification of no need final—ethnic and religious composition of residents may be considered—no expenditure minimum, expiration date—licensed and available, defined—review of letters of intent—application of law in pending court cases—expansion procedures.—

1. The provisions of section 197.317 shall not apply to a residential care facility I, residential care facility II, intermediate care facility or skilled nursing facility only where the department of social services has first determined that there presently exists a need for additional beds of that classification because the average occupancy of all licensed and available residential care facility I, residential care facility II, intermediate care facility and skilled nursing facility beds exceeds ninety percent for at least four consecutive calendar quarters, in a particular county, and within a fifteen-mile radius of the proposed facility, and the facility otherwise appears to qualify for a certificate of need. The department's certification that there is no need for additional beds shall serve as the final determination and decision of the committee. In determining ninety percent occupancy, residential care facility I and II shall be one separate classification and intermediate care and skilled nursing facilities are another separate classification.

2. The Missouri health facilities review committee may, for any facility certified to it by the department, consider the predominant ethnic or religious composition of the residents to be served by that facility in considering whether to grant a certificate of need.

*3. There shall be no expenditure minimum for facilities, beds, or services referred to in subdivisions (1), (2) and (3) of section 197.317. The provisions of this subsection shall expire January 1, 2003.

4. As used in this section, the term **"licensed and available"** means beds which are actually in place and for which a license has been issued.

5. The provisions of section 197.317 shall not apply to any facility where at least ninety-five percent of the patients require diets meeting the dietary standards defined by section 196.165, RSMo.

6. The committee shall review all letters of

intent and applications for long-term care hospital beds meeting the requirements described in 42 C.F.R., section 412.23(e) under its criteria and standards for long-term care beds.

7. Sections 197.300 to 197.366 shall not be construed to apply to litigation pending in state court on or before April 1, 1996, in which the Missouri health facilities review committee is a defendant in an action concerning the application of sections 197.300 to 197.366 to long-term care hospital beds meeting the requirements described in 42 C.F.R., section 412.23(e).

8. Notwithstanding any other provisions of this chapter to the contrary:

(1) A facility licensed pursuant to chapter 198, RSMo, may increase its licensed bed capacity by:

(a) Submitting a letter of intent to expand to the division of aging and the health facilities review committee;

(b) Certification from the division of aging that the facility:

a. Has no patient care class I deficiencies within the last eighteen months; and

b. Has maintained a ninety-percent average occupancy rate for the previous six quarters;

(c) Has made an effort to purchase beds for eighteen months following the date the letter of intent to expand is submitted pursuant to paragraph (a) of this subdivision. For purposes of this paragraph, an **“effort to purchase”** means a copy certified by the offeror as an offer to purchase beds from another licensed facility in the same licensure category; and

(d) If an agreement is reached by the selling and purchasing entities, the health facilities review committee shall issue a certificate of need for the expansion of the purchaser facility upon surrender of the seller's license; or

(e) If no agreement is reached by the selling and purchasing entities, the health facilities review committee shall permit an expansion for:

a. A facility with more than forty beds may expand its licensed bed capacity within the same licensure category by twenty-five percent or thirty beds, whichever is greater, if that same

licensure category in such facility has experienced an average occupancy of ninety-three percent or greater over the previous six quarters;

b. A facility with fewer than forty beds may expand its licensed bed capacity within the same licensure category by twenty-five percent or ten beds, whichever is greater, if that same licensure category in such facility has experienced an average occupancy of ninety-two percent or greater over the previous six quarters;

c. A facility adding beds pursuant to subparagraphs a. or b. of this paragraph shall not expand by more than fifty percent of its then licensed bed capacity in the qualifying licensure category;

(2) Any beds sold shall, for five years from the date of relicensure by the purchaser, remain unlicensed and unused for any long-term care service in the selling facility, whether they do or do not require a license;

(3) The beds purchased shall, for two years from the date of purchase, remain in the bed inventory attributed to the selling facility and be considered by the department of social services as licensed and available for purposes of this section;

(4) Any residential care facility licensed pursuant to chapter 198, RSMo, may relocate any portion of such facility's current licensed beds to any other facility to be licensed within the same licensure category if both facilities are under the same licensure ownership or control, and are located within six miles of each other;

(5) A facility licensed pursuant to chapter 198, RSMo, may transfer or sell individual long-term licensed beds to facilities qualifying pursuant to paragraphs (a) and (b) of subdivision (1) of this subsection. Any facility which transfers or sells licensed beds shall not expand its licensed bed capacity in that licensure category for a period of five years from the date the licensure is relinquished.

9. Any existing licensed and operating health care facility offering long-term care services may replace one-half of its licensed beds at the same site or a site not more than thirty miles from its current location if, for at least the most recent four consecutive calendar quarters, the facility operates only fifty percent of its then licensed capacity with every resident residing in a private room. In such case:

(1) The facility shall report to the division of aging vacant beds as unavailable for occupancy for at least the most recent four consecutive calendar quarters;

(2) The replacement beds shall be built to private room specifications and only used for single occupancy; and

(3) The existing facility and proposed facility shall have the same owner or owners, regardless of corporate or business structure, and such owner or owners shall stipulate in writing that the existing facility beds to be replaced will not later be used to provide long-term care services. If the facility is being operated under a lease, both the lessee and the owner of the existing facility shall stipulate the same in writing.

10. Nothing in this section shall prohibit a health care facility licensed pursuant to chapter 198, RSMo, from being replaced in its entirety within fifteen miles of its existing site so long as the existing facility and proposed or replacement facility have the same owner or owners regardless of corporate or business structure and the health care facility being replaced remains unlicensed and unused for any long-term care services whether they do or do not require a license from the date of licensure of the replacement facility.

(L. 1986 S.B. 553 & 775 § 6, A.L. 1992 S.B. 573 & 634, A.L. 1994 H.B. 1408, A.L. 1996 S.B. 575, A.L. 1996 H.B. 1362, A.L. 1997 S.B. 373, A.L. 1999 S.B. 326)
Effective 7-1-99

*Subsection 3 expires 1-1-2003

197.319.—(Repealed L. 1995 S.B. 108 § A)
Effective 5-12-95

197.320. Rules and regulations.— The committee shall have the power to promulgate reasonable rules, regulations, criteria and standards in conformity with this section and chapter 536, RSMo, to meet the objectives of sections 197.300 to 197.366 including the power to establish criteria and standards to review new types of equipment or service. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in sections 197.300 to 197.366 shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. All rulemaking authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule

proposed or adopted after August 28, 1999, shall be invalid and void.

(L. 1979 H.B. 222 § 5, A.L. 1993 S.B. 52, A.L. 1995 S.B. 3, A.L. 1999 S.B. 326)
Effective 7-1-99

197.325. Submission of applications.— Any person who proposes to develop or offer a new institutional health service shall submit a letter of intent to the committee at least thirty days prior to the filing of the application.

(L. 1979 H.B. 222 § 6, A.L. 1999 S.B. 326)
Effective 7-1-99

197.326. Lobbyist and interest registration required, when, contents, penalty—general assembly member prohibited from accepting contributions, when—certain persons may not offer gifts, when, penalty.—

1. Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105, RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in section 105.478, RSMo.

2. A member of the general assembly who also serves as a member of the health facilities review committee is prohibited from soliciting or accepting campaign contributions from an applicant or person speaking for an applicant or any opponent to any application or persons speaking for any opponent while such application is pending before the health facilities review committee.

3. Any person regulated by chapter 197 or 198, RSMo, and any officer, attorney, agent and employee thereof, shall not offer to any committee member or to any person employed as staff to the committee, any office, appointment or position, or any present, gift, entertainment or gratuity of any kind or any campaign contribution while such application is pending before the health facilities review committee. Any person guilty of knowingly violating the provisions of this section shall be punished as follows: For the first offense, such person is guilty of a class B misdemeanor; and for the second and subsequent offenses, such

person is guilty of a class D felony.
(L. 1992 S.B. 573 & 634)

197.327. Certificate issued for additional beds for medicaid patients, use for nonmedicaid patients, penalty— procedure to collect.—

1. If a facility is granted a certificate of need pursuant to sections 197.300 to 197.365 based on an application stating a need for additional medicaid beds, such beds shall be used for medicaid patients and no other.

2. Any person who violates the provisions of subsection 1 of this section shall be liable to the state for civil penalties of one hundred dollars for every day of such violation. Each nonmedicaid patient placed in a medicaid bed shall constitute a separate violation.

3. The attorney general shall, upon the request of the department, bring an action in a circuit court of competent jurisdiction to recover the civil penalty. The department may bring such an action itself. The civil action may be brought in the circuit court of Cole County or, at the option of the director, in another county which has venue of an action against the person under other provisions of law.

(L. 1988 H.B. 1368)

197.330. Duties of review committee.—

1. The committee shall:

(1) Notify the applicant within fifteen days of the date of filing of an application as to the completeness of such application;

(2) Provide written notification to affected persons located within this state at the beginning of a review. This notification may be given through publication of the review schedule in all newspapers of general circulation in the area to be served;

(3) Hold public hearings on all applications when a request in writing is filed by any affected person within thirty days from the date of publication of the notification of review;

(4) Within one hundred days of the filing of any application for a certificate of need, issue in writing its findings of fact, conclusions of law, and its approval or denial of the certificate of need; provided, that the committee may grant an extension of not more than thirty days on its own initiative or upon the written request of any affected person;

(5) Cause to be served upon the applicant, the respective health system agency, and any

affected person who has filed his prior request in writing, a copy of the aforesaid findings, conclusions and decisions;

(6) Consider the needs and circumstances of institutions providing training programs for health personnel;

(7) Provide for the availability, based on demonstrated need, of both medical and osteopathic facilities and services to protect the freedom of patient choice; and

(8) Establish by regulation procedures to review, or grant a waiver from review, nonsubstantive projects.

The term “filed” or “filing” as used in this section shall mean delivery to the staff of the health facilities review committee the document or documents the applicant believes constitute an application.

2. Failure by the committee to issue a written decision on an application for a certificate of need within the time required by this section shall constitute approval of and final administrative action on the application, and is subject to appeal pursuant to section 197.335 only on the question of approval by operation of law.

(L. 1979 H.B. 222 § 7, A.L. 1986 S.B. 553 & 775, A.L. 1987 H.B. 384 Revision, A.L. 1999 S.B. 326)
Effective 7-1-99

197.335. Appeals, venue.— Within thirty days of the decision of the committee, the applicant may file an appeal to be heard de novo by the administrative hearing commissioner, the circuit court of Cole County or the circuit court in the county within which such health care service or facility is proposed to be developed.

(L. 1979 H.B. 222 § 8, A.L. 1986 S.B. 553 & 775, A.L. 1987 H.B. 384 Revision, A.L. 1999 S.B. 326)
Effective 7-1-99

197.340. Notices to committee. — Any health facility providing a health service must notify the committee of any discontinuance of any previously provided health care service, a decrease in the number of licensed beds by ten percent or more, or the change in licensure category for any such facility.

(L. 1979 H.B. 222 § 9) Effective 10-1-80

197.345. Actions taken prior to October 1, 1980, not affected.— Any health facility with a project for facilities or services for which a binding construction

or purchase contract has been executed prior to October 1, 1980, or health care facility which has commenced operations prior to October 1, 1980, shall be deemed to have received a certificate of need, except that such certificate of need shall be subject to forfeiture under the provisions of subsections 8 and 9 of section 197.315.

(L. 1979 H.B. 222 § 10)

197.350.—(Repealed L. 1999 S.B. 326 § A)

Effective 7-1-99

197.355. Certificate required before funds may be appropriated.— The legislature may not appropriate any money for capital expenditures for health care facilities until a certificate of need has been issued for such expenditures.

(L. 1979 H.B. 222 § 12)

Effective 10-1-80

197.357. Reimbursement for project cost—overrun in excess of ten percent, eligible when — requirements.— For the purposes of reimbursement under section 208.152, RSMo, project costs for new institutional health services in excess of ten percent of the initial project estimate whether or not approval was obtained under subsection 7 of section 197.315 shall not be eligible for reimbursement for the first three years that a facility receives payment for services provided under section 208.152, RSMo. The initial estimate shall be that amount for which the original certificate of need was obtained or, in the case of facilities for which a binding construction or purchase contract was executed prior to October 1, 1980, the amount of that contract. Reimbursement for these excess costs after the first three years shall not be made until a certificate of need has been granted for the excess project costs. The provisions of this section shall apply only to facilities which file an application for a certificate of need or make application for cost-overrun review of their original application or waiver after August 13, 1982.

(L. 1982 H.B. 1086)

197.360.—(Repealed L. 1999 S.B. 326 § A)

Effective 7-1-99

197.365.—(Repealed L. 1999 S.B. 326 § A)

Effective 7-1-99

197.366. Health care facilities, definition, effective after December 31, 2001.— The provisions of subdivision (8) of section 197.305 to the contrary notwithstanding, after December 31, 2001, the term **“health care facilities”** in section 197.300 to 197.366 shall mean:

(1) Facilities licensed under chapter 198, RSMo;

(2) Long-term care beds in a hospital as described in subdivision (3) of subsection 1 of section 198.012, RSMo;

(3) Long-term care hospitals or beds in a long-term care hospital meeting the requirements described in 42 C.F.R., section 412.23(e); and

(4) Construction of a new hospital as defined in chapter 197.

(L. 1996 H.B. 1362)

Effective 7-12-96

CROSS REFERENCE:

Health care facilities defined until December 31, 2001, RSMo 197.305

197.367. Licensed bed limitation imposed, when.— Upon application for renewal by any residential care facility I or II which on the effective date of this act* has been licensed for more than five years, is licensed for more than fifty beds and fails to maintain for any calendar year its occupancy level above thirty percent of its then licensed beds, the division of aging shall license only fifty beds for such facility.

(L. 1999 S.B. 326 § 8)

*“This act” (S.B. 326, 1999) contained more than one effective date.

EDITOR'S NOTE:

The text of the Certificate of Need statute as it appears in this version of the CON Rulebook is for purposes of illustration and convenience as part of the CON Rulebook. If there are any discrepancies between this document and the actual statutes, this document is subordinated and the actual chapter 197, RSMo takes precedence.

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Approved 2001 MHFRC Meeting Calendar

Administrative & Certificate of Need Meetings

January 22.....Jefferson City
April 1-2.....Jefferson City
June 4.....Jefferson City
July 29-30.....Jefferson City
September 23-24.....Jefferson City
December 2-3.....Jefferson City
February 3-4, 2002.....Jefferson City

Legislative Workshop

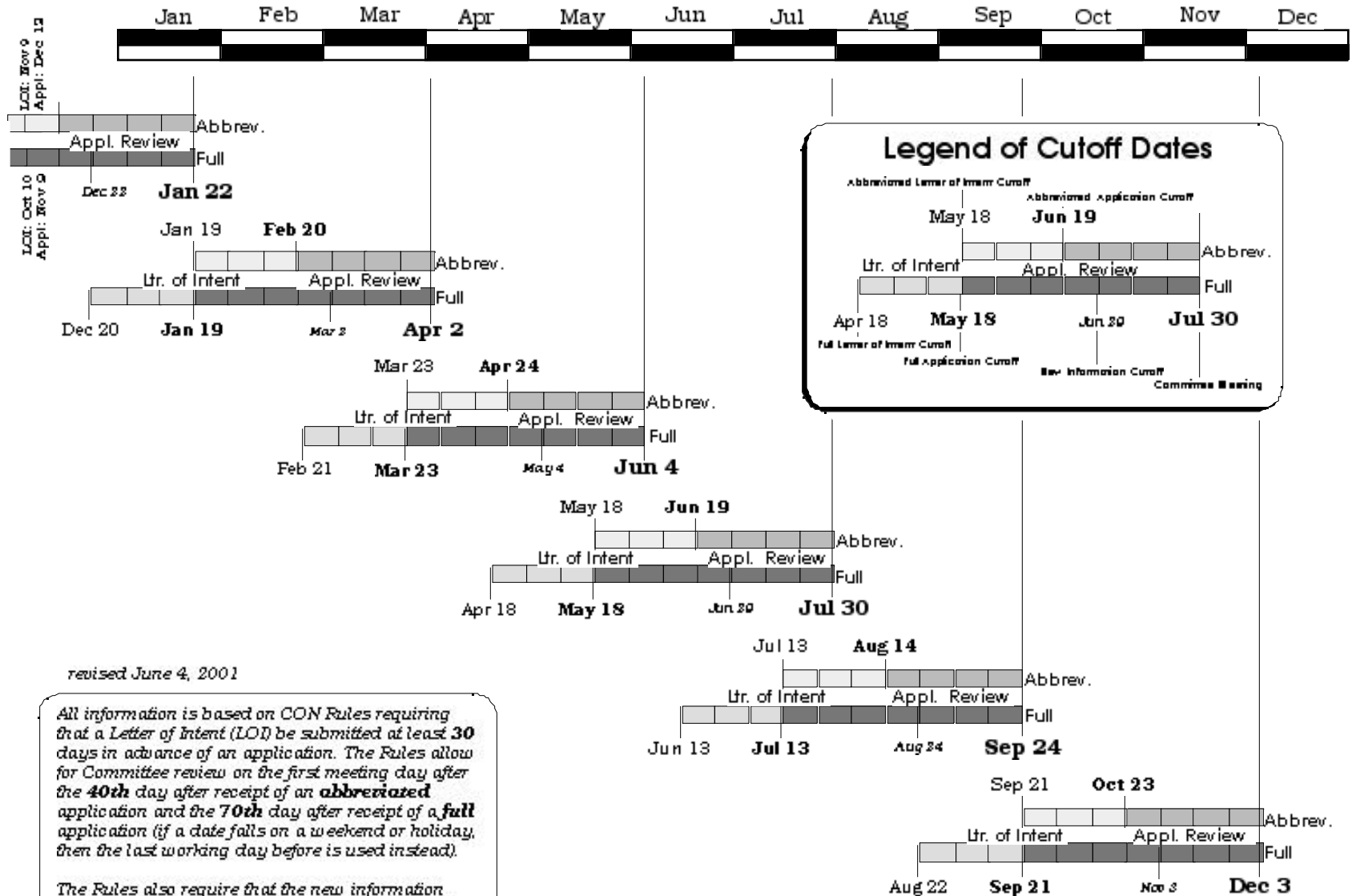
November 4-5..... Osage Beach

- ☐ Administrative Meetings
- ☒ CON Meetings
- ☐ Committee Workshop
- ☐ Round Table Meetings
(state agencies info exchange)



revised date: June 4, 2001

2001 Letter of Intent and Application Review Calendar



revised June 4, 2001

All information is based on CON Rules requiring that a Letter of Intent (LOI) be submitted at least 30 days in advance of an application. The Rules allow for Committee review on the first meeting day after the 40th day after receipt of an **abbreviated** application and the 70th day after receipt of a **full** application (if a date falls on a weekend or holiday, then the last working day before is used instead).

The Rules also require that the new information deadline is 30 days prior to the Committee meeting.

70-LOI:Oct 22, 70-App:Nov 21, 40-LOI:Nov 21, 40-App:Dec 24, 30-Cutoff:Jan 5, Feb 4, 2002 mtg. ▶

Missouri Health Facilities Review Committee

MEETING FORMAT

Time	Function	Activities and Condition
10 minutes	Staff Presentation	Presentation of staff analysis concentrating on need, financial feasibility, special needs, and cost effectiveness.
As needed	Committee Questions	Staff responds to Committee questions.
10 minutes	Applicant Presentation	Presentation of application concentrating on need, financial feasibility, special needs, and cost effectiveness. No introduction of new material and no distribution of additional papers.
As needed	Committee Questions	Applicant responds to Committee questions.
3 minutes per person	Presentations by affected parties supporting the project.	Individual presenters provide <i>supportive</i> information relevant to need, special needs, financial feasibility, cost effectiveness and how the proposal affects presenter. (One spokesman per group preferred.)
As needed	Committee Questions	Affected parties respond to Committee questions.
3 minutes per person	Presentations by affected parties neutral to the project.	Individual presenters provide information relevant to need, special needs, and cost effectiveness.
As needed	Committee Questions	Affected parties respond to Committee questions.
3 minutes per person	Presentations by affected parties opposing the project.	Individual presenters provide <i>alternative</i> 5 minutes information relevant to need, special needs, financial feasibility, cost effectiveness and how the proposal affects presenter. (One spokesman per group preferred.)
As needed	Committee Questions	Affected parties respond to Committee questions.
5 minutes	Applicant Rebuttal	Clarification of issues and key points.
5 minutes	Staff Summary	Summary of key points and recommendations.
As needed	Committee	Discuss and decide to: • Approve based on information in application; • Conditionally approve application as modified; • Deny based on finding of no need; or • Defer to the next meeting.

revised 06/04/00

Missouri Health Facilities Review Committee

MEETING PROTOCOL

Presenter Information

- REPRESENTATIVE REGISTRATION FORM
All presenters must complete and sign a **“Representative Registration Form”** and give the completed form to the Sign-In Coordinator **prior to speaking**. This form is available on a table near the entrance to the meeting chamber.
- APPLICANT PRESENTATION OF “KEY POINTS” AND SUMMATION
The applicant’s presentation should be a “key points summary” **based on the written application and should not exceed 10 minutes** inclusive of all presenters with 5 minutes additional time for summation before the staff wrap-up.
- WRITTEN APPLICATION REMINDER
Applicants are reminded that **no new material** beyond the written applications is to be introduced, and no materials or additional papers are to be distributed at the meeting.
- AFFECTED PARTIES PRESENTATIONS
All “affected parties” presentations are limited to 3 minutes per person.
- APPLICANT SUMMATION
The summation is intended to recap the key points made by the applicant. Rebuttals of “affected parties” presentations by applicants are generally discouraged and will not normally be entertained from the floor.

General Information

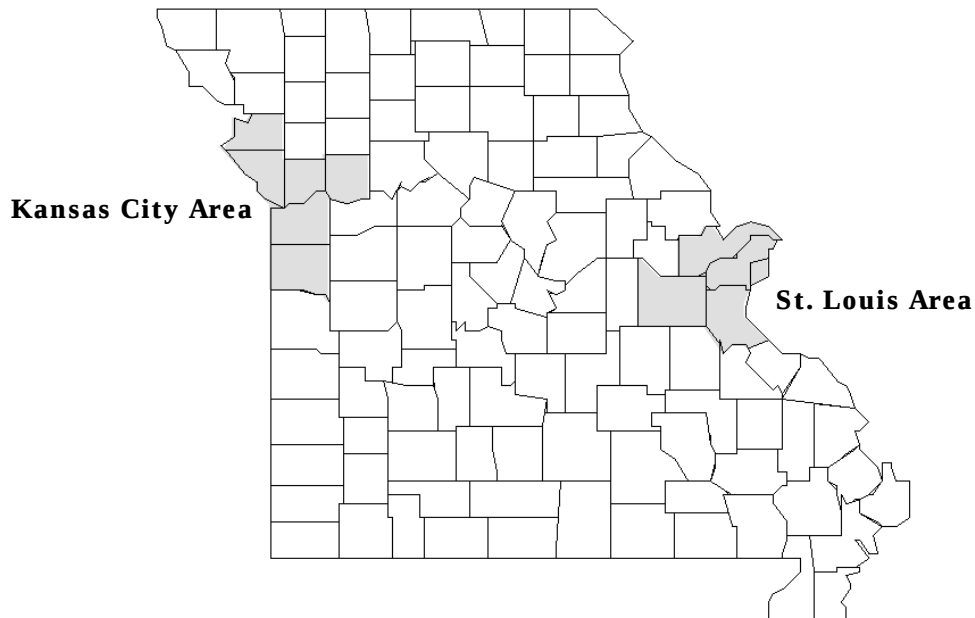
- RESERVED AREA
Reserved Area is to be used by the applicant and supporters during the applicant’s presentation only and then vacated for the next group.
- PODIUM AREA
Individuals waiting to present shall remain clear of the podium area until specifically called by name or upon “open call” by the chairman.
- TIME MONITOR
Prescribed time limits will be monitored by the Time Keeper. Presenters shall observe the Time Keeper’s indications of lapsed time to ensure each presenter has an opportunity to present within the allotted time.

updated 12/13/99

RS Means Cost Data Percentile Limits Total New Construction Project Costs*

Source: 2001 RS Means Building Construction Cost Data

Type of Facility	Percentile	St. Louis	Kansas City	Outstate	National
HOSPITAL					
Cost Per Sq. Ft.	3/4	\$232.20	\$227.48	\$206.33	\$225.00
	Median	156.86	153.67	139.38	152.00
NURSING HOME AND RESIDENTIAL CARE FACILITY					
Cost Per Sq. Ft.	3/4	\$115.58	\$113.23	\$102.70	\$112.00
	Median	94.48	92.56	83.95	91.55
AMBULATORY SURGERY CENTER (based on medical clinic costs)					
Cost Per Sq. Ft.	3/4	\$122.81	\$120.31	\$109.12	\$119.00
	Median	97.83	95.84	86.93	94.80



* Renovation costs should not exceed 70% of total new construction project costs

revised 11/17/00

Who's Who in CON

Missouri Health Facilities Review Committee Members

<u>Name</u>	<u>Address</u>
Patrick Brady, Chair	Kansas City
Milamari A. Cunningham, M.D.	Columbia
Douglas W. Guthals, Vice Chair	Gladstone
Senator Mary Groves Bland	Kansas City
Ross P. Marine	Kansas City
Representative Jim Murphy	Crestwood
H. Bruce Nethington	St. Louis
Senator Betty Sims	St. Louis
Representative Thomas A. Villa	St. Louis

Certificate of Need Program Staff

Thomas R. Piper, Program Director

Mike Henry, Health Planning Specialist	Phillis Singer, Office Manager
Steve Feldman, Health Planning Specialist	Sarah Didriksen, Mgmt. Secretary
Donna Schuessler, Health Planning Specialist	(vacant), Financial Secretary

Committee Legal Counsel

Daryl Hylton, Assistant Attorney General
Bernie Icaza, Assistant Attorney General

Broadway Bldg., 221 West High St., P. O. Box 899, Jefferson City, MO 65102

Telephone Number: (573) 751-3321

Fax Number: (573) 751-5660

All contacts and correspondence should be sent to:

Certificate of Need Program
915G Leslie Boulevard, Jefferson City, MO 65101

Telephone Number: (573) 751-6403

Fax Number: (573) 751-7894

E-Mail Address: moconp@home.com
Web Site Address: www.dhss.state.mo.us/con

revised 08/27/01

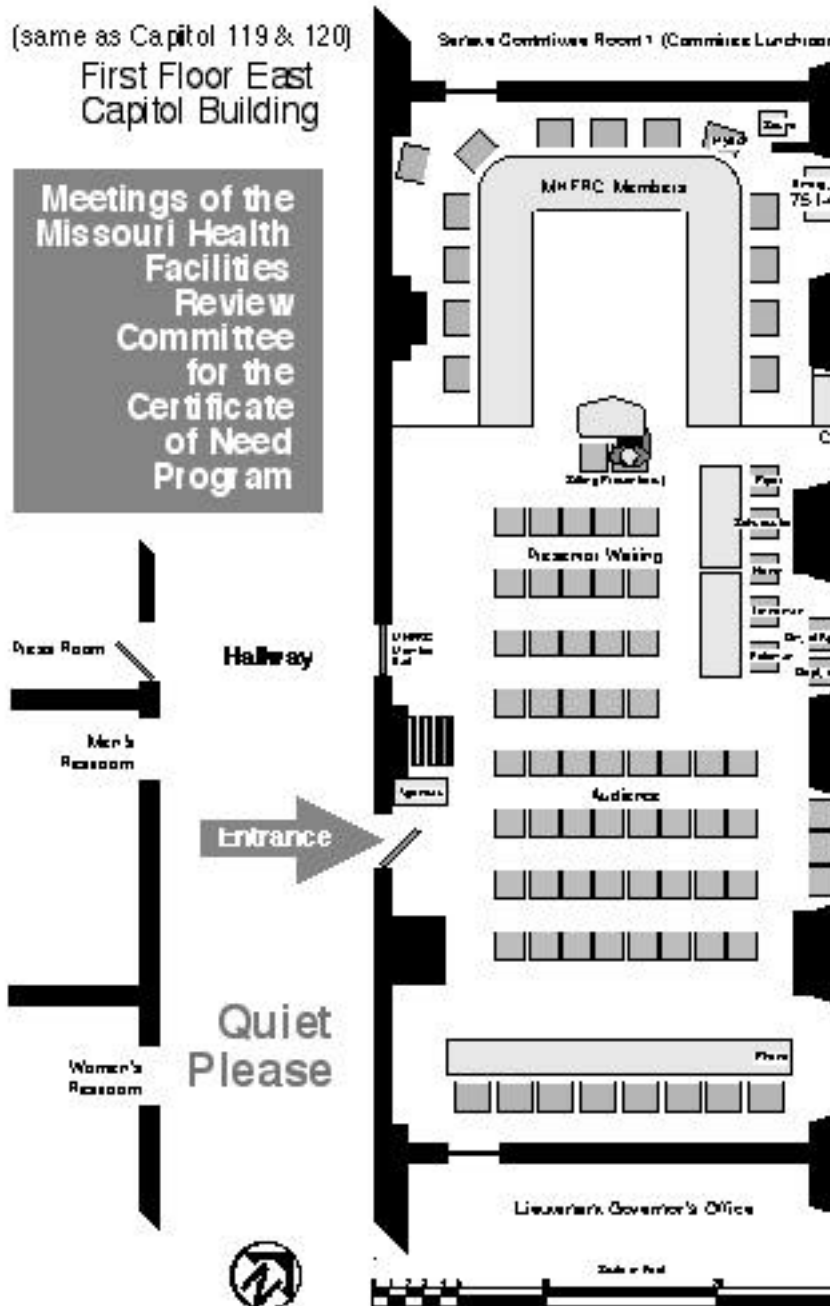
Certificate of Need Meeting Room Layouts

Layout of Senate Committee Room 2/3

(same as Capitol 119 & 120)

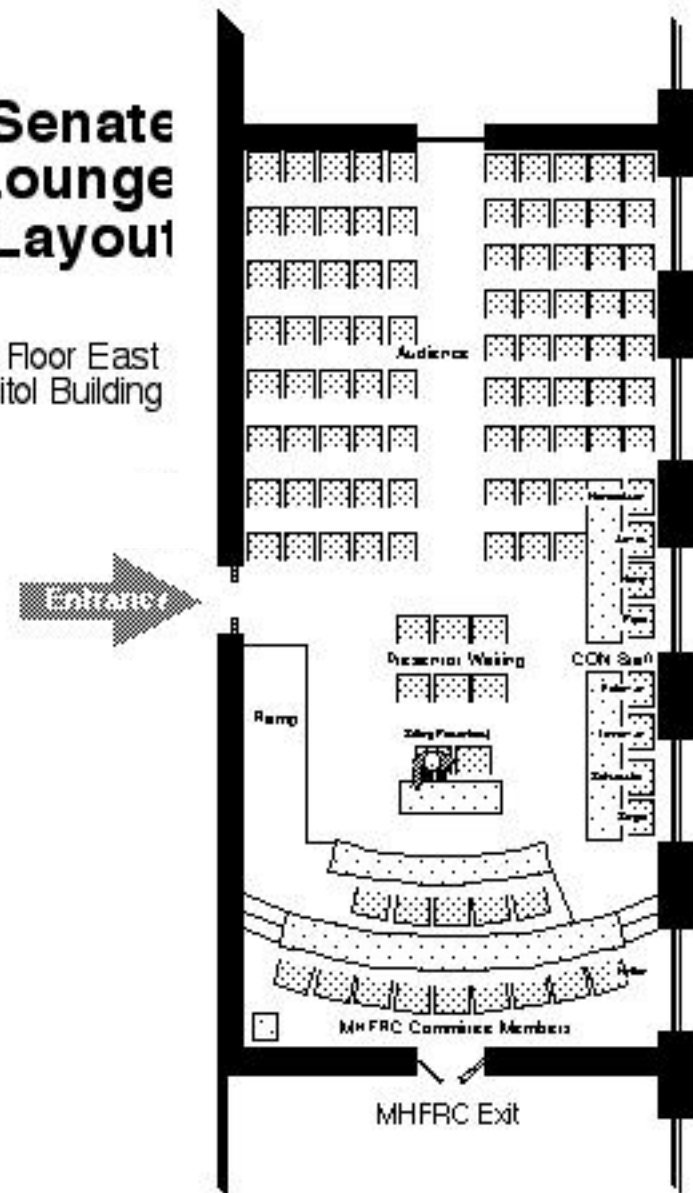
First Floor East
Capitol Building

Meetings of the
Missouri Health
Facilities
Review
Committee
for the
Certificate
of Need
Program



Senate Lounge Layout

Third Floor East
Capitol Building



Certificate of Need Foundations

Mission:

To achieve the highest level of health for Missourians through cost containment, reasonable access, and public accountability.

Goals:

- Review proposed health care services;
- Address community need;
- Manage health costs;
- Promote economic value;
- Negotiate competing interests;
- Prevent unnecessary duplication; and
- Disseminate health-related information to interested and affected parties.

(modified October 20, 1997)



Certificate of Need Program

INFORMATION REQUEST FORM

Name (please type or print)	Title
Organization	Telephone and Fax Numbers
Address (Street/City/State/Zip Code)	E-mail address

I request the following and agree to pay charges as billed by the Certificate of Need Program (check as many as are needed, write quantity at left if more than one)

cost of each item

- | | |
|--|-----------------------------|
| ☐ 2000 Certificate of Need Rulebook | \$8.00 |
| ☐ Hosp & NH ICF/SNF Beds Qtrly Occupancy Summary by County | \$1.00 |
| ☐ Four-Qtr Inventory of Hosp & NH ICF/SNF Lic. & Available Beds | \$3.75 |
| ☐ Six-Qtr Occupancy of Intermediate Care & SNF Licensed Beds | \$2.75 |
| ☐ RCF Beds Qtrly Occupancy Summary By County | \$1.00 |
| ☐ Four-Qtr Inventory of RCF Licensed and Available Beds | \$4.00 |
| ☐ Six-Qtr Occupancy of RCF Licensed Beds | \$3.00 |
| ☐ 1997-1998: The Year in Review | No Charge |
| ☐ Special Computer Searches | (\$25.00/hr./1 hr. minimum) |
| ☐ Certificate of Need Quarterly Status Report (annual subscription) | \$20.00 |
| ☐ Copies of Other Materials (25¢/page) | Subtotal = \$ _____ |
| <i>Please specify:</i> | |

**add Shipping
and Handling Fee: \$3.00***

Total due: \$ _____ **

***Shipping and Handling Fee will be
waived if items picked up at CONP Office.**

****A check made payable to "Missouri Health Facilities
Review Committee" must accompany all out-of-state requests.**

Signature (signature is required to process request)	Date
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Mail or fax request form, with prepayment if required, to:

**Certificate of Need Program
915G Leslie Boulevard
Jefferson City, MO 65101**

Phone: (573) 751-6403 Fax: (573) 751-7894 E-mail: tpiper@mail.state.mo.us
for electronic versions for some of the above, go to CONP Website at:

<http://www.health.state.mo.us/CON/Title.html>

KJP / DOH 1991
(revised 1/7/98)
TRP/CON)

prepared on behalf of the Missouri Health Facilities Review Committee
by the Certificate of Need Program
915G Leslie Boulevard, Jefferson City, MO 65101
Telephone: (573) 751-6403; Fax: (573) 751-7894
E-Mail: moconp@home.com

Web Site Address: <http://www.dhss.state.mo.us/con>

*If you desire a copy of this publication in an alternate form because of a disability,
contact the Missouri Department of Health, Division of Administration
P.O. Box 570, Jefferson City, MO 65102
Telephone: (573) 751-6014*

*Hearing-impaired citizens may contact the department by phone through Missouri Relay (800) 735-2966.
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revised 08/31/00